2016

DALLAS

City of Dallas, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2016

CITY OF DALLAS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2016

Issued by
City Controller's Office

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CITY OF DALLAS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2016
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INTRODUCTORY SECTION

City of Dallas

Honorable Mayor and City Council
City of Dallas, Texas

June 23, 2017

Introduction

We are pleased to present the City of Dallas' fiscal year 2016 Comprehensive Annual Financial Report (CAFR). Our CAFR provides our annual financial statements, the independent auditors' report, and Management's Discussion and Analysis (MD&A), which provides a narrative introduction, overview, and analysis of the basic financial statements. We are committed to managing our resources responsibly. Through our CAFR, we hope that the public will better understand the City, our operations, and our finances.

We are pleased that Grant Thornton LLP has issued an unmodified ("clean") opinion on our financial statements. The independent auditors' report is located at the front of the financial section of this report. We can provide reasonable assurance that the financial information contained in this report is complete, reliable, and accurate.

Our CAFR reflects the hard work and commitment of thousands of City staff, who strive each day to serve our residents and taxpayers with empathy, equity, ethics, and excellence.

The Strength of the Dallas Economy

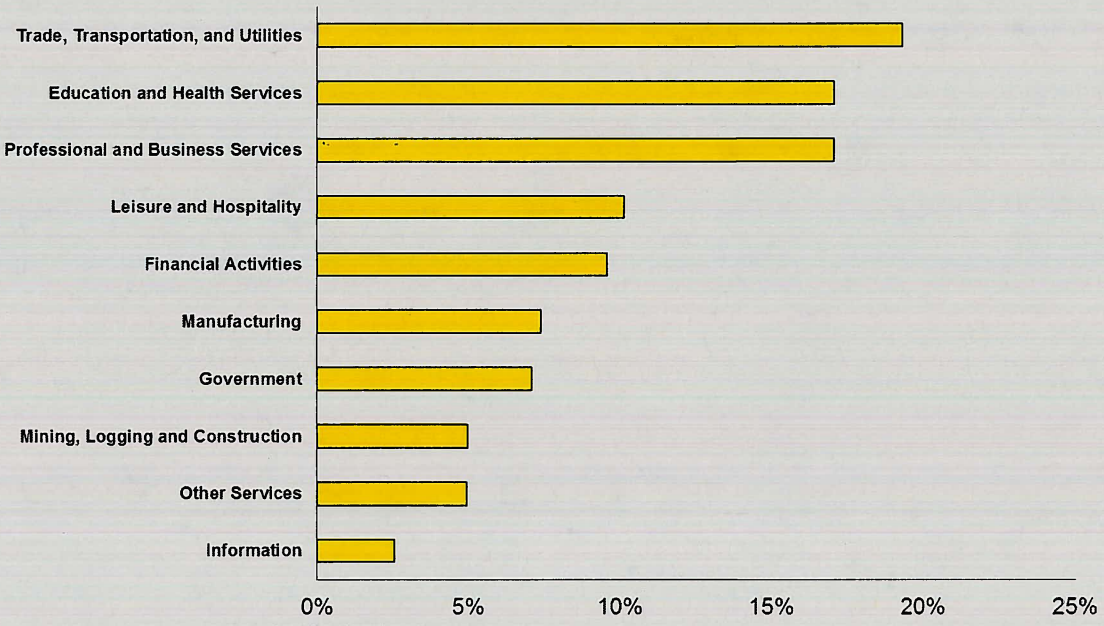
Dallas is the ninth largest city in the nation, and the largest local economy in the nation's fourth largest metropolitan area. The City is home to over 64,000 businesses (Reference USA). Dallas' diverse industry employment mix continues to support steady and progressive local economic growth and continues to dampen the negative effects of any single industry downturn. In 2016, the Trade, Transportation, and Utilities sector was the largest industry sector by employment within the City. The Education and Health Services and the Professional and Business Services sectors tied for the second largest employment share followed by Leisure and Hospitality (Bureau of Labor Statistics and Reference USA) (Figure 1).

Since fiscal year 2011, sales tax revenue has increased by 32 percent. Indicators such as the unemployment rate, increase in the number of jobs, and housing values reflect Dallas' continued improved performance (City of Dallas Office of Financial Services and Bureau of Labor Statistics).

The Dallas monthly labor force (Dallas residents only) averaged 661,622 during fiscal year 2016. The monthly average of residents who were unemployed over this time was 25,627. Dallas' unemployment rate has remained below the U.S. average for over one hundred consecutive months (Texas Workforce Commission / U.S. Bureau of Labor Statistics). Dallas' employment base uses a large inventory of business facilities including over 129 million square feet of office space, 203 million square feet of industrial/flex space, and 81 million square feet of retail space (CoStar, NOV 2016).

OFFICE OF THE CITY MANAGER CITY HALL 1500 MARILLA ST., 4EN DALLAS, TEXAS 75201 TELEPHONE 214-670-3297

Figure 1
Dallas Employment by Industry



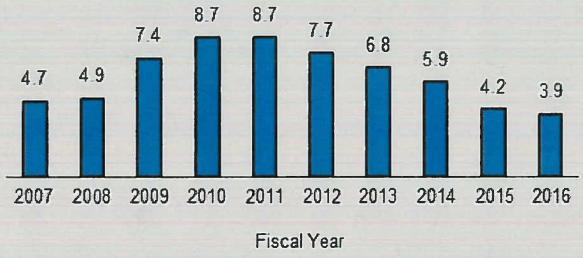
(Bureau of Labor Statistics and Reference USA)

The following charts highlight Dallas' major economic indicators, presenting continued economic growth in fiscal year 2016.

Unemployment

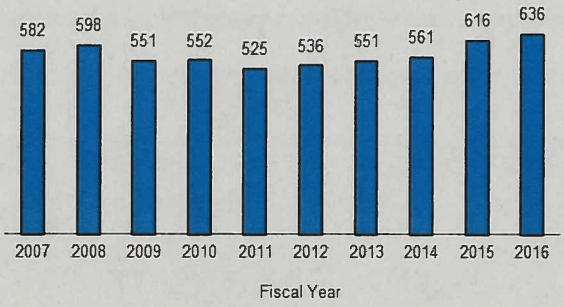
Average monthly unemployment in Dallas was 3.9 percent in fiscal year 2016, below the national rate. The U.S. rate averaged 4.9 percent in fiscal year 2016 (Source: U.S. Bureau of Labor Statistics – non-seasonally adjusted values).

Figure 2. Dallas Unemployment Rate (percent)



Employment

Figure 3. Dallas Household Employment
(1,000's of employed residents)

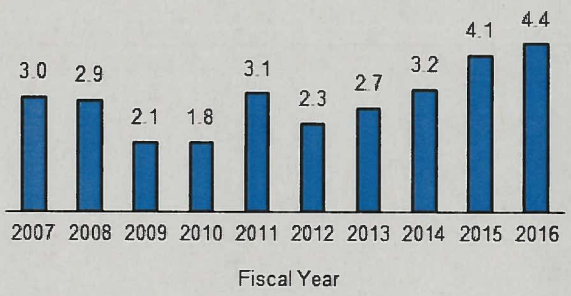


The number of employed Dallas residents increased during the fiscal year. Approximately 635,995 Dallas residents were working in fiscal year 2016 (Source: U.S. Bureau of Labor Statistics– non-seasonally adjusted values).

Construction Activity

The annual value of construction permits increased to over $4.4 billion in fiscal year 2016, an 8.1 percent increase over the previous fiscal year. Additionally, new construction values increased over $363 million from the previous year to approximately $2.93 billion (Sources: COD Department of Sustainable Development and Construction).

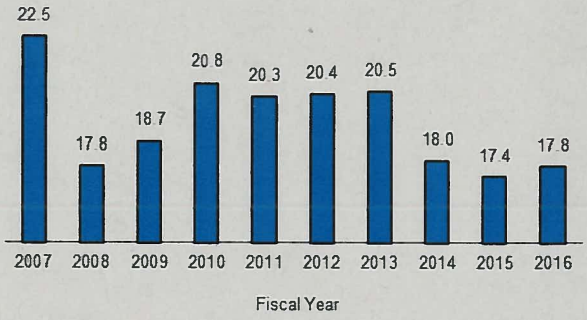
Figure 4. Dallas Building Activity
($ billions)



Office Vacancy

Office vacancy rates rose slightly in fiscal year 2016. Construction activity to meet employment gains in the Professional and Financial Services industries took place during the fiscal year, and there is an expectation for the rate to decline in the next year (Source: CoStar, BLS).

Figure 5. Dallas Office Vacancy Rate
(percent)

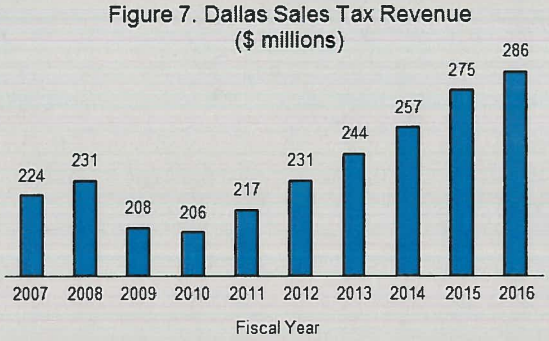


Industrial Vacancy

The industrial vacancy rate increased during fiscal year 2016 to 6.0 percent. Economic growth in distribution activity increased Dallas' demand for warehousing and production space. With a market response of over 4.9 million square feet of space delivered within the fiscal year, the City's inventory increased 2.5 percent. With the continued demand for industrial space, there is an expectation for the rate to decline in the next year (Source: CoStar).

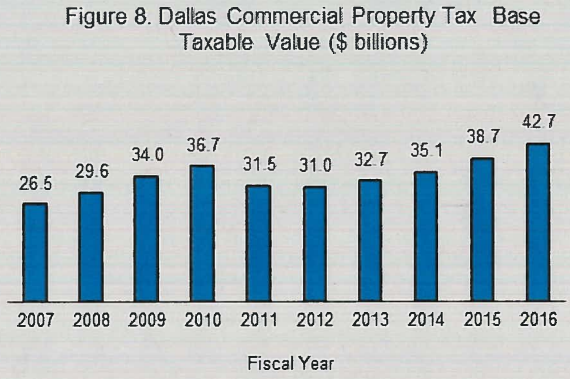
Sales Tax

During fiscal year 2016, total sales tax revenues grew to over $285.7 million. Sales tax revenue continued to grow for the sixth consecutive year after the decline of the 2007-2009 national recession.



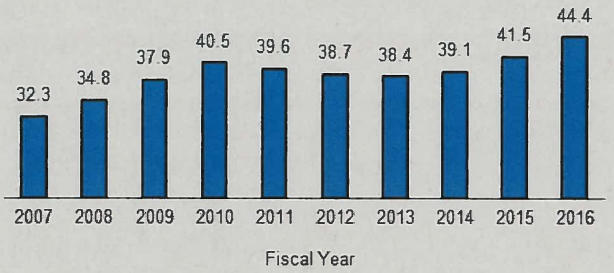
Commercial Property

Dallas' commercial tax base grew over ten percent to $42.7 billion in fiscal year 2016. Fiscal year 2016 was the second consecutive year for double digit percent tax base growth rate. This reflects the continued strong post-recession job growth, resulting in demand for commercial space.



Residential Property

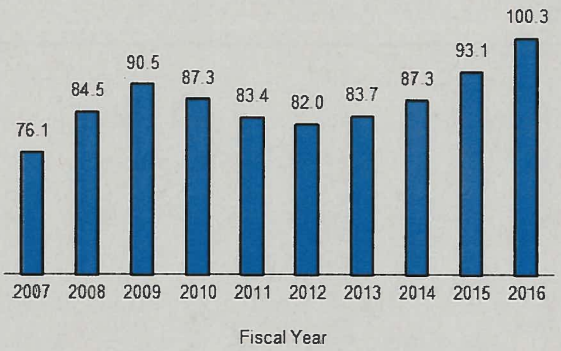
Figure 9. Dallas Residential Tax Base
Taxable Value ($ billions)



The residential tax base increased approximately seven percent to $44.4 billion in fiscal year 2016. Dallas' increased valuations reflect continued inward migration and a diverse housing stock that can accommodate various household needs.

Total taxable value of property, including Business Personal Property, increased to $100.3 billion in fiscal year 2016 from $93.1 billion in fiscal year 2015. This is a 7.7 percent increase.

Figure 10. Dallas Total Property Tax Base
Taxable Value ($ billions)



Economic Development Strategy

Dallas' economic indicators such as employment, home prices, and revenues continue to improve. The local economy is expected to remain strong due to continued job creation and declines in unemployment. Although employment has grown for the City's residents, income levels have not substantially increased. Overall, the City's economic outlook remains strong due to a diverse industry mix. Service-sector jobs grew in fiscal year 2016. The City continues to monitor the changing national economic condition and to identify remaining gaps that need to be addressed in the next strategic plan for economic development.

The strategic plan for economic development is driven by four key goals: growth in the economy through expanding employment and the size of the labor force, increased economic opportunities for City residents, a broadened and diversified tax base, and development assistance toward more sustainable communities. Dallas' updated plan places special emphasis on two focus areas. First is an expanded downtown, supporting a thriving urban economy centered on connection to revitalized in-town neighborhoods and the rest of the City through transit. Second is a revitalized Southern Dallas through leveraging public sector funding in key focus areas to stimulate private investment. Additionally, ongoing initiatives include increasing Dallas' share of global and regional trade (including retail, wholesale, and logistics), recruitment and retention of businesses, and marketing Dallas nationally and globally.

Central Business District and Expanded Downtown

During fiscal year 2016, 8,905 residential units were either available or under construction in the Central Business District (CBD), supporting an estimated downtown residential population of over 9,018 (Downtown Dallas Inc.). Including a one mile band adjacent to the CBD, the available or under construction residential unit count increases to 40,665. Hotel occupancy in the Downtown, Market Center, and Uptown segment in September 2016 was 69.5 percent, up 1.2 percentage points from the previous year's adjusted occupancy rate. This is magnified by the fact that more hotel rooms continue to be added to the CBD market (Dallas Convention & Visitors Bureau / Smith Travel Research). Projects completed in fiscal year 2016 include renovations, key tenant leasing, and new construction. The Hartford Building at 400 N. St. Paul renovated 161,082 square feet of office space and 12,396 square feet of retail space. KPMG Plaza at Hall Arts located at 2323 Ross Avenue leased 430,000 square feet of office tower space to KPMG and others, and 30,000 square feet of retail space including Flora Street Café. Alta Farmers Market constructed 313 new apartments in the Dallas Farmers Market. Also, part of the Butler Brothers Building at 500 South Ervay Street, a former office building adjacent to City Hall, has been renovated into 238 apartments.

Ongoing projects scheduled for completion in 2017 include the Butler Brothers Building development of 274 hotel rooms and 29,400 square feet of retail space, Phases I and II of the Dallas Farmers Market Redevelopment Project, incorporating housing and recreational space into Farmers Market, and the Dallas Morning News' relocation to office space in the former City Library.

Aviation

Dallas Love Field was tied for Highest in Customer Satisfaction among medium sized airports by J. D. Power in 2016 (factors graded: terminal facilities, airport accessibility, security check, baggage claim, check-in/baggage check, and terminal shopping). There were 223,997 flights either departing or arriving at Love Field during fiscal year 2016, a 7.11 percent increase over fiscal year 2015. During fiscal year 2016, Love Field served over 15.5 million passengers, surpassing fiscal year 2015's total of 14.5 million passengers. Due to the surge in total passengers, the City Council approved plans to construct Parking Garage C, consisting of approximately 5,300 parking spaces. The garage will be located next to the ticket hall, providing easy access to the terminal, and is expected to be completed in 2018. Additionally, in August of 2016, the Texas Department of Transportation completed Phase I and Phase II of the runway reconstruction project at Dallas Executive Airport. Phase III of the project will begin in March 2018, with anticipated completion in December 2018.

University of North Texas at Dallas

The fall 2016 enrollment at the University of North Texas at Dallas (UNT Dallas) campus was 3,030, with full-time enrollment at 2,286 students. The new campus is expected to ultimately enroll 25,000 students. In October 2016, Dallas Area Rapid Transit (DART) opened the UNT Dallas DART rail station, effectively linking UNT Dallas to all of DART's service area. Other area improvements currently under construction include Runyon Creek Trail project beginning at Glendale Park and linking to the UNT Dallas DART rail station. The project is scheduled for completion in September 2017. Construction of the first on-campus dormitory began in August 2016, and a new Student Success Center will begin construction in spring 2017.

International Inland Port of Dallas (IIPOD)

During fiscal year 2016, progress continued at the IIPOD, a major logistics hub in the southeast quadrant of the City. Approximately 2,500 acres of land within the City limits (of 7,500 acres for the total project) have become the gateway to a major distribution hub that will exceed 60 million square feet of industrial and warehouse space at completion. There are currently 30 million square feet built or under construction, with over 8 million square feet of this in the City of Dallas.

Transit-Oriented Development (TOD)

The number of DART light rail stations within the City grew from 44 to 46 during fiscal year 2016 with the opening of the Camp Wisdom and UNT Dallas DART rail stations linking these areas of South Oak Cliff to all of DART's service area in Dallas. The City continues to work with private developers to pursue projects near station areas that complement the transit system through new housing and employment opportunities. Additionally, light-rail service connects the City with the Dallas/Fort Worth (DFW) International Airport.

Trinity River Corridor Project

The Trinity River Corridor Project remains one of the largest and most complex urban development projects in the nation. The project provides flood protection, transportation components, recreation elements, environmental stewardship, and business development along 20 miles and 10,000 acres of the Trinity River. Future plans also include improvements to the existing levees.

Financial Information

Chapter III, Section 19 of the City Charter requires, "the annual financial statements and related records and accounts of the City to be audited annually by a firm registered with the Texas State Board of Public Accountancy as a firm practicing public accountancy."

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the costs of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements of the City of Dallas include all activities, organizations, and functions for which the City is financially accountable. Dallas has a Council-Manager form of government. There are 14 single-district Council Members and a Mayor elected at large. The Mayor and Council appoint the City Manager, City Attorney, City Auditor, City Secretary, and the Municipal Court Judges. The Director of the Civil Service Department is appointed by the Civil Service Board and the Director of Park and Recreation is appointed by the Park and Recreation Board. All other department directors are appointed by the City Manager.

The City provides the full range of municipal services established by statute or charter. These include public safety (police and fire), streets, culture and recreation, public improvements, planning and zoning, and general administrative services. In addition to general government activities, the Dallas Water Utilities, Airport Revenues, Convention Center, Sanitation Services, and several other enterprise and internal service fund activities are part of the City's legal entity. Eighteen tax increment financing districts are also included in the City's reporting entity.

Although the pension trust funds are separate legal entities, they exist to exclusively serve or benefit the City's employees, retirees, and their beneficiaries, and are included in the City's reporting entity as blended component units. The Love Field Airport Modernization Corporation (LFAMC) is also a separate legal entity included in the City's reporting entity as a blended component unit. It was created to facilitate the construction at Love Field Airport. More information regarding the blended component units is included in Note 1(B).

Discretely presented component units are other legally separate entities which are also included in the City's reporting entity based on the criteria set forth in the Codification of Governmental Accounting Standards, Section 2100, *Defining the Financial Reporting Entity*. The criteria considered in determining the activities to be reported within the City's financial statements are included in Note 1(B). Based on those criteria, the following organizations are included as discretely presented component units of the City of Dallas for financial reporting purposes:

- The Housing Finance Corporation issues tax-exempt mortgage revenue bonds to encourage opportunities for single-family residential home ownership among low to moderate-income citizens.
- The Housing Acquisition and Development Corporation provides safe and affordable housing for low and moderate income persons.
- The Dallas Development Fund was organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities.
- The Downtown Dallas Development Authority is a separate legal entity which was established to promote economic development of the downtown area and improve the tax base.
- The North Oak Cliff Municipal Management District was organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, the public welfare in the District, and educational scholarships for college-bound students residing in or out of the District.
- The Cypress Waters Municipal Management District was organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, and the public welfare in the District.
- The Dallas Convention Center Hotel Development Corporation was created to promote the development of the geographic area of the City included at or in the vicinity of the Dallas Convention Center, in furtherance of the promotion, development, encouragement and maintenance of employment, commerce, convention and meeting activity, tourism, and economic development in the City including specifically, without limitation, the development and financing of a convention center hotel located within 1,000 feet of the Dallas Convention Center.

Related organizations not included as part of the reporting entity are the Dallas/Fort Worth International Airport, the Dallas Housing Authority, and DART. The reason for not including these entities is because the City's accountability does not extend beyond appointing members to the Boards.

Discussion of Controls. The City's management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse, and to ensure adequate accounting data are compiled to allow for preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, 2) the reliability of financial records for preparing financial statements, and 3) accountability for assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. The City Council is required by Charter to appoint a City Auditor who is independent of City management and reports directly to the City Council. The City Auditor supports the internal control structure within the City by performing independent evaluations of existing accounting and administrative controls and by ascertaining compliance with existing plans, policies, and procedures.

Annually, each department is required to conduct a self-assessment of internal controls. The results of these assessments are reported to the City Manager with an action plan to correct any identified deficiencies. Furthermore, as a recipient of federal and state assistance, the City is also responsible for ensuring adequate internal controls are in place to comply with applicable laws, regulations, contracts, and grants related to those programs. As part of the City's single audit, tests are made to determine the adequacy of the internal control, including that portion relative to federal and state financial awards, as well as to determine whether the City has complied with applicable laws, regulations, contracts, and grants. Internal controls are also subject to periodic evaluation by management and the City Auditor.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary controls. The City Charter provides that the City Council shall annually appropriate adequate funds in an amount to execute the policies and service delivery plans of the City. City management annually prepares the plan of services for the upcoming fiscal year and the estimated costs. The plan is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The ordinance provides for budgetary control at the department level and these budgets cannot be exceeded without Council approval. Budgetary control is enforced at the department level by reserving appropriations and by encumbering purchase orders and contracts. Open encumbrances are reported, where applicable, as assigned fund balance.

Major Initiatives for Fiscal Year 2017

The City Council adopted a balanced budget for fiscal year 2016-2017 in September 2016. The major initiatives for the fiscal year 2016-2017 budget include the following:

- Hire 451 police officers, including filling 100 additional new positions;
- Hire 18 additional fire recruits to compensate for higher attrition during fiscal year 2016;
- Continue replacement of police marked squad cars and fire apparatus equipment;
- Improve court services and detention center services by extending hours one evening during the week;
- Improve staffing at Dallas Animal Services, and provide free spay/neuter surgeries and microchipping to combat loose dogs in high impact areas;
- Maintain the overall satisfactory level for streets and alleys;
- Add an urban forestry division within Mobility and Street Services Department;
- Continue funding the Oak Cliff Streetcar, including extension to Bishop Arts District;
- Increase support to AT&T Performing Arts Center;
- Continue funding for current library service hours and materials, community pools, park maintenance, and other culture, arts, and recreation programs; and
- Invest in the City's water, sewer, and sanitation infrastructure and equipment resources while continuing to stay competitively priced with other cities for the same services.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dallas for its CAFR for the fiscal year ended September 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements. This is the tenth consecutive year GFOA has awarded the City the certificate of achievement.

A Certificate of Achievement is valid for a period of only one year. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We wish to take this opportunity to thank the Mayor and members of the City Council for their support in maintaining the highest standards of professionalism in the management of the financial operations of the City.

The City Controller's Office is dedicated to setting a high standard in financial management and reporting. We wish to thank the staff of the City Controller's Office, as well as staff with financial management roles in all departments. Particular thanks to the Office of Economic Development and the Department of Communication and Information Services, for their assistance in providing the data necessary to prepare this report. We look forward to implementing even stronger fiscal policies and practices to provide City of Dallas residents and taxpayers the maximum value for the resources entrusted to us.

Respectfully submitted,

T.C. Broadnax
City Manager

M. Elizabeth Reich
Chief Financial Officer

Edward R. Scott, CPA, CGMA
City Controller

"Dallas, the City that works:
diverse, vibrant, and progressive."

CITY OF DALLAS

FISCAL YEAR 2016 CITY OFFICIALS

FRONT ROW (seated, left to right):

Mark Clayton - *District 9*
Carolyn King Arnold - *District 4*
Mayor Pro Tem Monica R. Alonzo - *District 6*
Dallas Mayor Mike Rawlings
Deputy Mayor Pro Tem Erik Wilson - *District 8*
Tiffinni A. Young - *District 7*
Sandy Greyson - *District 12*

BACK ROW (standing, left to right):

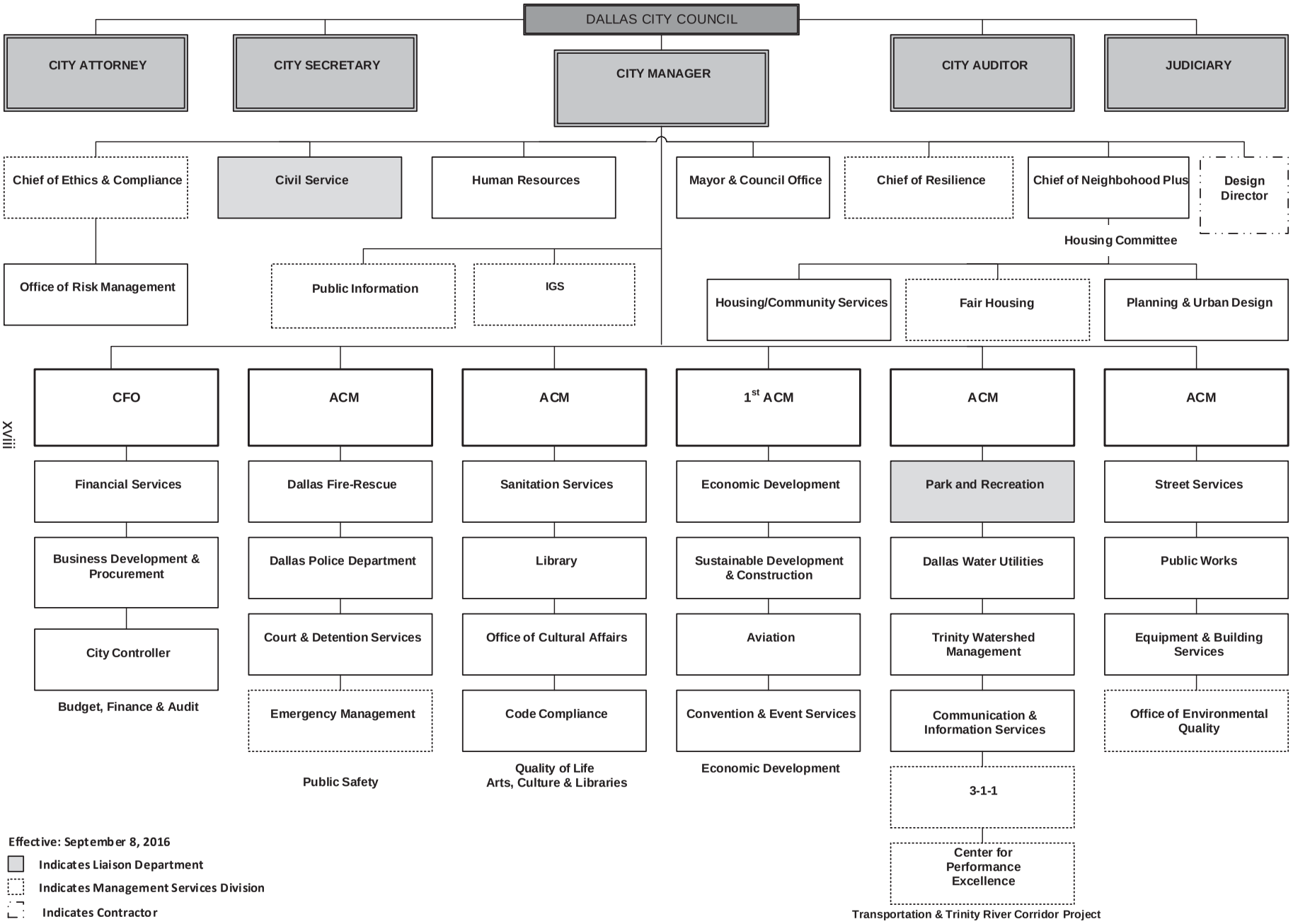
Lee Kleinman - *District 11*
Casey Thomas, II - *District 3*
Phillip T. Kingson - *District 14*
Jennifer S. Gates - *District 13*
Scott Griggs - *District 1*
Adam Medrano - *District 2*
Adam McGough - *District 10*
Rickey D. Callahan - *District 5*

"Dallas, the City that works:
diverse, vibrant and progressive."

CITY MANAGER

T. C. Broadnax
Appointed February 1, 2017

City of Dallas Organizational Chart
September 30, 2016



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

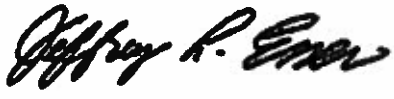
Presented to

City of Dallas

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015



Executive Director/CEO

"Dallas, the City that works:
diverse, vibrant, and progressive."

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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The Honorable Mayor and Members of City Council
City of Dallas, Texas

Report on the financial statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dallas, Texas (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dallas Police and Fire Pension System and Supplemental Police and Fire Pension Plan of the City of Dallas, which are blended component units which represent 45%, 46% and 15%, respectively, of the assets, net position and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the Dallas Housing Finance Corporation, the Dallas Housing and Acquisition Development Corporation, and the Dallas Development Fund, which are discretely presented component units which represent 2%, 11%, and 3% respectively of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based on the reports of the other auditors. We also did not audit the financial statement of the Dallas/Fort Worth International Airport, a joint venture, which is disclosed in Note 6.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Dallas Police and Fire Pension System, Supplemental Police and Fire Pension Plan of the City of Dallas, Dallas Housing Finance Corporation, the Dallas Housing and Acquisition Development Corporation, and the Dallas Development Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dallas, Texas as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 14, and the Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of City Contributions to Pension Plans, Notes to the Schedule of City Contributions to Pension Plans, and Schedule of Funding Progress-Other Postemployment Benefits on pages 99 through 103 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements, budgetary comparison schedule-debt service fund, and schedules of capital assets used in the operation of governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 23, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Grant Thornton LLP

Dallas, Texas
June 23, 2017

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2016
(Unaudited)

As management of the City of Dallas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. The City's management's discussion and analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual major fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, which can be found on pages v-xiv of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The City elected to reclassify Sanitation services from a General Fund department to an enterprise fund. This was done to improve transparency in setting rates as a result of a move toward full cost recovery for these services. This change in accounting principle increased net position in Governmental activities $68 million, and decreased Business-type net position by $68 million. The change also reduced fund balance in the General fund by $14 million.
- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by approximately $145 million (deficit net position).
- The City's governmental activities net position decreased from the restated beginning net position by $742 million while the business-type activities net position decreased by $4 million.
- As of the close of fiscal year 2016, the City's governmental funds reported combined ending fund balances of $983 million, an increase of $115 million in comparison to the prior year fund balance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $153.7 million, or approximately 13.6 percent of the total general fund expenditures, including transfers out.
- The City's governmental long-term liabilities had a net increase of $3 billion from the prior year restated balance of $7.9 billion.
- The City's business-type activities long-term liabilities increased $770 million from the prior year's restated balance of $4 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business and are made up of the following two statements: the statement of net position and the statement of activities. Both of these statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base, the condition of the City's property tax base, and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.) to assess the overall health or financial condition of the City.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, environmental and health services, public works and transportation, equipment and building services, culture and recreation services, housing, and human services.

The business-type activities of the City include water and sewer utilities, convention center, airport, sanitation and landfill, municipal radio, and building inspections. The airport revenue fund includes the activities of the Love Field Airport Modernization Corporation (LFAMC), a blended component unit.

The government-wide financial statements reflect not only the activities of the City itself (known as the primary government), but also those of the seven separate legal entities for which the City is financially accountable – the Housing Finance Corporation, the Housing Acquisition and Development Corporation, Dallas Development Fund, the Downtown Dallas Development Authority (DDDA), the North Oak Cliff Municipal Management District, the Cypress Waters Municipal Management District, and the Dallas Convention Center Hotel Development Corporation, which are reported as discretely presented component units separately from the primary government itself.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general and debt service funds, which are considered to be major funds. Data from the other twenty-one funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the combining financial statements section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18, 20, 22, and 23 of this report.

Proprietary Funds: Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or to other units within the City. Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The proprietary funds financial statements provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the airport, convention center, municipal radio, building inspection, sanitation, and water utilities operations. All of the City's enterprise funds, except the municipal radio and building inspection, are considered major funds.

- Internal Service funds accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its equipment services, communication equipment, office services, information services, and risk management programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining financial statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24-31 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's pension trust and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the basic financial statements. The notes to the financial statements can be found on pages 34-98 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was a deficit of approximately $145 million as of September 30, 2016. Analyzing the net position of governmental and business-type activities separately, the governmental activities had a deficit balance of approximately $(3.4) billion and the business-type activities net position was approximately $3.2 billion. This analysis focuses on the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position (Table 1), and changes in revenues and expenses (Table 2) of the City's governmental and business-type activities.

Table 1
Net Position (in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2016	2015*	2016	2015*	2016	2015*
Current and other assets	$ 1,305,493	$ 1,217,136	$ 1,113,600	$ 1,110,856	$ 2,419,093	$ 2,327,992
Capital assets	3,829,324	3,735,378	6,468,015	6,057,075	10,297,339	9,792,453
Total assets	5,134,817	4,952,514	7,581,615	7,167,931	12,716,432	12,120,445
Deferred outflows of resources	2,692,342	648,960	555,009	139,942	3,247,351	788,902
Long-term liabilities	10,945,190	8,047,221	4,720,763	3,819,707	15,665,953	11,866,928
Other liabilities	211,250	216,954	196,738	204,038	407,988	420,992
Total liabilities	11,156,440	8,264,175	4,917,501	4,023,745	16,073,941	12,287,920
Deferred inflows of resources	24,146	15,871	10,709	4,561	34,855	20,432
Net position:						
Net investment in capital assets	2,640,551	2,520,158	2,917,498	2,778,732	5,558,049	5,298,890
Restricted	169,538	195,210	288,970	261,399	458,508	456,609
Unrestricted	(6,163,516)	(5,393,940)	1,946	239,436	(6,161,570)	(5,154,504)
Total net postion	$ (3,353,427)	$ (2,678,572)	$ 3,208,414	$ 3,279,567	$ (145,013)	$ 600,995

* Information for fiscal year 2015 was not restated in this table.

The largest portion of the City's net position reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens and, consequently, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The current and other assets in governmental activities increased from the prior year by $88 million, due primarily to increases in restricted cash, generated through the issuance of general obligation bonds during the year for $227 million. The majority of these liquid resources will be used to finance new City projects and future public improvements.

Long-term liabilities increased by $2.9 billion in the governmental activities due to a net increase in the net pension liability of $2.9 billion.

The business-type activities long-term liabilities increased $901 million, due mainly to the recognition of a net increase in the net pension liability of $521 million, a net increase of $131 million in total water utilities bonds payable, a net increase of $134 million in the water transmission facilities financing agreement, and a net increase in airport capital leases payable of $44 million.

An additional portion of the City's net position ($170 million governmental activities and $289 million business-type activities) represents resources that are subject to external restrictions on how they may be used. The remaining balance in net position is unrestricted.

In governmental activities, there is a deficit unrestricted net position of $6.2 billion as a result of long-term liabilities for items such as bonds, compensated absences, unfunded risk liabilities, net pension liability, other postemployment benefits, pollution remediation, pension obligation bonds, and sales tax liability. Because of the focus on current assets and liabilities, the City's budget is developed to address the needs of current operations. The City plans to fund long term liabilities in future budgets as those liabilities consume current assets. Unrestricted net position in business-type activities is $2 million.

Analysis of the City's Operations

The table below provides a summary of the City's operations for the fiscal year ended September 30, 2016, with comparative totals for the fiscal year ended September 30, 2015. The governmental activities restated net position decreased by $742 million and business-type activities restated net position decreased by $4 million. Key elements of these changes in net position are as shown below.

Table 2
Change in Net Position (in thousands)

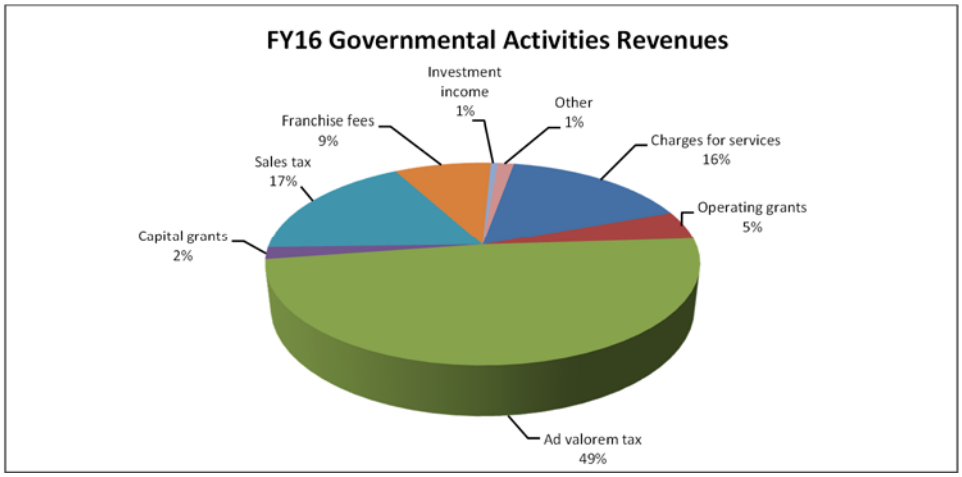
	Governmental Activities		Business-type Activities		Totals	
	2016	2015*	2016	2015*	2016	2015*
Revenues:						
Program revenues:						
Charges for services	$ 269,534	$ 316,389	$ 901,483	$ 744,668	$ 1,171,017	$ 1,061,057
Operating grants and contributions	75,560	77,038	6,343	5,937	81,903	82,975
Capital grants and contributions	31,092	59,712	37,317	21,135	68,409	80,847
General revenues:						
Ad valorem tax	791,420	735,913	-	-	791,420	735,913
Tax increment financing revenue	6,473	4,892	-	-	6,473	4,892
Sales tax	285,669	275,250	-	-	285,669	275,250
Franchise fees	140,184	132,719	-	-	140,184	132,719
Hotel occupancy tax	-	-	59,225	53,931	59,225	53,931
Alcohol beverage tax	-	-	12,058	11,247	12,058	11,247
Investment income	10,089	7,550	6,786	5,901	16,875	13,451
Other	16,771	43,588	699	314	17,470	43,902
Total revenues	1,626,792	1,653,051	1,023,911	843,133	2,650,703	2,496,184
Expenses:						
General government	339,671	220,164	-	-	339,671	220,164
Public safety	1,345,492	594,747	-	-	1,345,492	594,747
Streets, street lighting & code enforcement	195,187	213,665	-	-	195,187	213,665
Environmental and health services	19,431	18,067	-	-	19,431	18,067
Public works and transportation	88,141	74,130	-	-	88,141	74,130
Equipment and building services	50,829	36,917	-	-	50,829	36,917
Culture and recreation	222,921	160,527	-	-	222,921	160,527
Housing	32,694	17,529	-	-	32,694	17,529
Human services	26,789	20,451	-	-	26,789	20,451
Interest on long-term debt	80,890	63,404	-	-	80,890	63,404
Dallas water utilities	-	-	586,505	499,585	586,505	499,585
Convention center	-	-	105,869	92,661	105,869	92,661
Airport revenues	-	-	137,143	103,950	137,143	103,950
Sanitation	-	-	116,152	-	116,152	-
Municipal radio	-	-	3,009	2,254	3,009	2,254
Building inspection	-	-	45,988	28,704	45,988	28,704
Total expenses	2,402,045	1,419,601	994,666	727,154	3,396,711	2,146,755
Excess before transfers	(775,253)	233,450	29,245	115,979	(746,008)	349,429
Transfers	32,856	23,120	(32,856)	(23,120)	-	-
Increase (decrease) in net position	(742,397)	256,570	(3,611)	92,859	(746,008)	349,429
Net position - beginning of year	(2,678,572)	2,244,616	3,279,567	3,357,023	600,995	5,601,689
Change in accounting principle	67,542	(5,179,758)	(67,542)	(170,315)	-	(5,350,073)
Net position - beginning of year	(2,611,030)	(2,935,142)	3,212,025	3,186,708	600,995	251,566
Net position - end of year	$ (3,353,427)	$ (2,678,572)	$ 3,208,414	$ 3,279,567	$ (145,013)	$ 600,995

* Information for fiscal year 2015 was not restated in this table.

Governmental Activities

Governmental activities net position decreased $675 million in fiscal year 2016. Net position decreased $742 million as a result of current year activities. This was offset by an increase of $68 million as a result of a restatement of prior year ending net position for a change in accounting principal that moved Sanitation services from the General Fund to an enterprise fund. Total revenues and transfers decreased $17 million, or 1 percent from fiscal year 2015. Significant changes in revenue include the following:

- Ad valorem tax revenues increased $55.5 million due to an increase in the certified property tax values.
- Tax increment financing, intergovernmental revenue increased $1.6 million, primarily due to an increase in the certified property tax values.
- Sales tax revenue increased $10.4 million due to increased discretionary customer spending.
- Charges for services decreased $46.9 million due primarily to the reclassification of Sanitation Services from a general government activity to a business-type activity. This was offset by increases of $12 million in charges for services for general government, primarily caused by increases in fines and forfeitures in municipal courts, as well as increased indirect charges to the City's business-type activities. There were additional offsets of $28 million in charges for services for public safety, related to an average increase of 80 percent in ambulance service rates. Furthermore, customer charges for culture and recreation services increased $2 million.
- Operating grants and contributions decreased $1.5 million. Capital grants and contributions decreased $28.6 million, due primarily to decreases in contributions of capital assets related to public works and transportation from developers and outside agencies.
- Investment income increased $2.5 million during fiscal year 2016 from fiscal year 2015. The increase in investment income was due to an increase in the average yield on investments from 0.613 percent during fiscal year 2015 to 0.885 percent during fiscal year 2016.
- Other revenues decreased $26.8 million, mainly due to the receipt of proceeds from the sale of property in fiscal year 2015.



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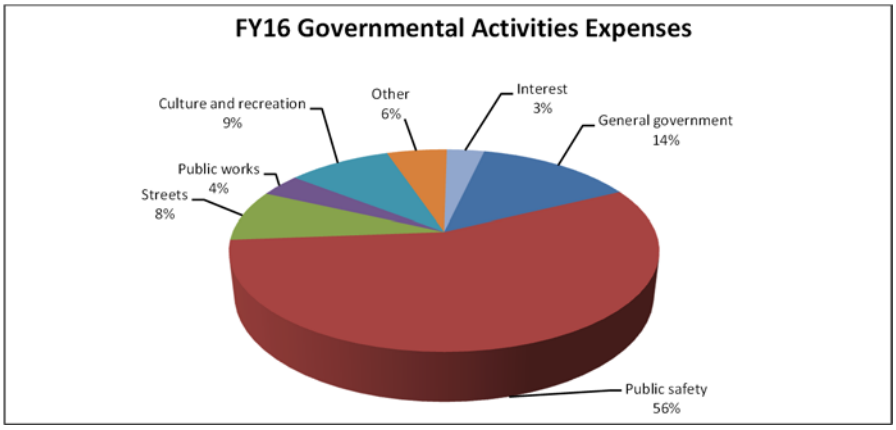
Total governmental activities expenses increased approximately $983 million, or 69 percent, from fiscal year 2015. The most significant portion of expenses related to governmental activities is the cost of personnel and related benefits.

- General government expenses increased $120 million. Personnel expenses increased $71 million due to pension expense and $12 million due to merit pay. Neighborhood and development initiatives increased $17.0 million due to increased payments to developers for public infrastructure and economic development grants. Costs related to equipment maintenance and information technology increased $4.2 million.
- Public safety expenses increased $751 million. Pension expense increased $733 million and overtime pay increased $11 million.
- Streets, street lighting, and code enforcement expenses decreased $18 million, due primarily to the reclassification of sanitation services from this expense category in the governmental activities to business-type activities, which reduced the expenses by $76 million. This was partially offset with.an increase in pension expense of $41 million, increased expenses of $6 million for additional maintenance and repairs of streets and alleys, and additional costs for animal services of $6 million related to increased efforts in animal control.
- Public works and transportation expenses increased $14 million, due primarily to an increase in pension expense of $10 million.
- Equipment and building services expenses increased $14 million, due primarily to an increase in pension expense of $12 million.
- Culture and recreation expenses increased $62 million. Pension expense increased $53 million, while costs related to parks and recreation services increased $4 million due to additional staff to maintain park land and funding programs for seniors.
- Housing expenses increased $15 million due primarily to additional pension expenses of $18 million.
- Human services increased $6 million due primarily to developer, mortgage, and rental assistance initiatives.
- Interest on long-term debt increased $17 million, related to the issuance of general obligation bonds.



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Business-type Activities

Business-type activities net position decreased $71 million during fiscal year 2016. As a result of reclassifying Sanitation Services from the General Fund to an enterprise fund, net position decreased $68 million. Total revenues increased $181 million from fiscal year 2015.

Significant changes in revenues include the following:

- The reclassification of Sanitation services from a governmental activity to an enterprise fund resulted in an increase in revenues for business-type activities when compared to fiscal year 2015. Operating revenues from these services totaled $102 million in fiscal year 2016.
- During fiscal year 2016, airport operating revenues increased $12 million, due to increased passenger traffic, which resulted in higher landing fees, rental fees, concession fees, and parking fees.
- During fiscal year 2016, Dallas Water Utilities customer charges increased $34 million from a 5.3 percent retail rate increase and a 14.2 percent wholesale rate increase.
- Convention Center customer charges increased $5 million from the previous fiscal year primarily due to major events held at the Kay Bailey Hutchison Convention Center during the fiscal year.

Total business-type activities expenses increased $268 million from fiscal year 2015. The following items contributed to changes in expenses during fiscal year 2016:

- Dallas Water Utilities personnel expenses increased due to an increase in pension expense of $77 million and merit raises of $3 million.
- Convention Center personnel services increased due to an increase in pension expense of $5 million. Contractual and other services increased due to major events held at the Kay Bailey Hutchison Convention Center and an increase in payments to the Convention and Visitors Bureau for their share of hotel occupancy taxes.
- Airport personnel services increased $10.8 million due to an increase in pension expense. Depreciation expense increased $3 million due to new capital assets and a full year of depreciation on projects completed the previous fiscal year. Bonds issued to construct a planned parking garage resulted in an increase in interest expense of $5 million.
- Operating expenses in Sanitation Services were reported in governmental activities in fiscal year 2015. Total operating expenses in fiscal year 2016 were $114 million, including $28 million related to pension expense.
- Personnel services in nonmajor enterprise funds (building inspections and municipal radio) increased $17 million, due primarily to an increase in pension expense of $16 million.

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Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2016, the City's governmental funds reported combined ending fund balance of $983 million, an increase of $115 million in comparison with the prior fiscal year restated fund balance. The majority of this increase is due to the issuance of general obligation bonds during the fiscal year. Approximately $154 million constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it is 1) nonspendable in form or required to be maintained intact; 2) restricted for a specific purpose by constitution, external resource providers, or through enabling legislation; 3) committed by a formal action of Council for a specific purpose; or 4) assigned and intended to be used by the government for a specific purpose for contracts and purchase orders of the prior period.

The general fund is the chief operating fund of the City. At the end of fiscal year 2016, unassigned fund balance of the general fund was $154 million while total fund balance was $191 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 14 percent of total general fund expenditures and transfers out, while total fund balance represents 17 percent of that same amount.

The City's general fund balance increased $5 million during fiscal year 2016, primarily from increases in ad valorem revenue and sales tax revenue. Ad valorem tax revenue increased $35 million due to an increase in certified tax values. Sales tax revenue increased $10 million due to improvements in the economy. Revenue from services to others decreased $85 million due to the reclassification of Sanitation services to an enterprise fund. Total expenditures decreased $16 million, primarily as a result of the reclassification of Sanitation services to an enterprise fund.

The debt service fund had a total fund balance of $11 million at September 30, 2016 restricted for the payment of debt service. The debt service fund balance decreased during the current year by $3 million primarily due to a decrease in transfers from other funds of $6 million.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in Dallas Water Utilities at the end of the year amounted to $35 million, Convention Center was $56 million, Airport Revenues was $44 million, and Sanitation was a deficit of $123 million. The total change in net position was an increase of $19 million in Dallas Water Utilities, a decrease of $1 million in Convention Center, an increase of $10 million in the Airport Revenues Fund, and a decrease of $18 million in Sanitation. Factors regarding the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the fiscal year, the final amended revenue budget included an increase in fines and forfeitures of $4 million over the original budget, and an increase in interfund transfers-in of $3 million. Final budgeted expenditures and interfund transfers out increased $6 million over the original expenditure budget. This was primarily due to increases in expenditures related to the Dallas Police Department of $8 million, Code Compliance of $1 million, and Street Services of $1 million. These increases were mainly offset by a decrease in transfers-out by $2 million, and various reductions in general government expenditures of $2 million.

Actual budgetary basis revenues and transfers-in were higher by $6 million, or less than 1 percent from final budgeted amounts. The following actual revenues were unexpectedly higher than the final budgeted revenues: sales tax revenues were higher by $3 million, other tax and franchise revenues were higher by $2 million, and miscellaneous revenue was higher by $2.3 million, while services to others and interfund transfers-in were $3 million and $3 million less than the final budgeted revenues, respectively. Actual budgetary expenditures and transfers out were less than the final amended budget by $14.9 million. Significant decreases occurred in the non-departmental, Dallas fire department, 9-1-1 systems operations, code compliance, and library expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2016, the City had approximately $10.3 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (see table 3). This amount represents a net increase of $505 million or 5.2 percent over the prior fiscal year. At the beginning of fiscal year 2016, the City implemented a change in accounting principle that reclassified sanitation activities, including $29.6 million in net capital assets, from governmental to business-type activities.

Table 3
Capital Assets
(Net of Accumulated Depreciation, in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2016	2015 (Restated)	2016	2015 (Restated)	2016	2015 (Restated)
Land	$ 492,553	$ 490,048	$ 316,733	$ 265,253	$ 809,286	$ 755,301
Artwork	49,501	49,460	3,396	3,344	52,897	52,804
Construction in progress	342,716	249,724	1,034,279	696,371	1,376,995	946,095
Water rights	-	-	236,995	241,107	236,995	241,107
Buildings	786,811	798,633	1,210,647	1,244,882	1,997,458	2,043,515
Improvements other than buildings	465,042	473,751	374,427	365,900	839,469	839,651
Equipment	170,624	158,498	223,560	218,457	394,184	376,955
Infrastructure assets	1,522,077	1,485,683	350,571	361,581	1,872,648	1,847,264
Utility property	-	-	2,717,407	2,689,761	2,717,407	2,689,761
Totals	$ 3,829,324	$ 3,705,797	$ 6,468,015	$ 6,086,656	$ 10,297,339	$ 9,792,453

Some of the major additions for fiscal year 2016 included (gross additions – in millions):

Street and transportation improvements	$ 105.2
Flood control/storm drainage improvements	37.8
Library Renovation and Addition	3.3
Old Municipal Building Renovation	7.3
Southern Streetcar Extension	12.5
Land acquistions	54.0
Equipment acquisitions	67.0
Water and wastewater facilities	86.0
Pipeline reserve capacity rights	117.2
Airport improvements	16.7
Total	$ 507.0

The general purpose capital improvement program provides for improvements to, and/or construction of, the City's street system; parks and recreational facilities; libraries; police and fire protection facilities; cultural art facilities; the flood protection and storm drainage systems; other City-owned facilities; and economic initiatives. General obligation bonds are the primary financing mechanism for these capital improvements.

The capital improvement program for the enterprise funds consists primarily of improvements to, and/or construction of, water and wastewater systems, and air transportation facilities. The primary financing mechanism for these capital improvements are enterprise fund net revenues and issuance of debt such as commercial paper and revenue bonds.

More detailed information about the City's capital assets is presented in Note 14 to the financial statements.

Debt

At fiscal year-end, the City had $5.2 billion in bonds for both governmental and business-type activities, an obligation for revenue credit agreement (including accrued unpaid interest), and water transmission facilities financing agreement outstanding, as shown in Table 4.

Table 4
Outstanding Debt at Fiscal Year-end (in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2016	2015 (Restated)	2016	2015 (Restated)	2016	2015 (Restated)
General obligation bonds	$ 1,484,515	$ 1,396,715	$ 7,905	$ 9,640	$ 1,492,420	$ 1,406,355
Certificates of obligation	16,630	20,090	-	-	16,630	20,090
Pension obligation bonds	182,258	187,778	83,581	86,112	265,839	273,890
Revenue bonds	-	-	$ 2,501,921	2,430,088	2,501,921	2,430,088
Water transmission facilities financing agreement	-	-	455,820	322,223	455,820	322,223
Obligation for revenue credit agreement	-	-	439,105	446,095	439,105	446,095
Total	$ 1,683,403	$ 1,604,583	$ 3,488,332	$ 3,294,158	$ 5,171,735	$ 4,898,741

Bond proceeds for governmental activities will be used to pay costs of various equipment purchases, street systems, playgrounds, recreation facilities, library facilities, and other City infrastructure and facilities.

In November 2015, the City issued general obligation refunding and improvement bonds, Series 2015, of $226.6 million with a stated interest rate of 5.0 percent and a final maturity of February 15, 2034. $2.9 million of the bonds were issued to refund outstanding commercial paper. The remaining $223.7 will be used to finance certain public improvements and pay the cost of issuance of the bonds.

In June 2016, Dallas Water Utilities issued Waterworks and Sewer System Revenue Refunding Bonds Series 2016 of $540.3 million with an interest rate range of 0.60 percent to 5.00 percent and a final maturity of October 1, 2045. The bonds were issued to refund previously issued waterworks and sewer system bonds and to refund outstanding commercial paper used by Dallas Water Utilities to fund capital construction projects. Proceeds of $398.6 million were deposited with an escrow agent to be used to pay the outstanding amount of the refunded bonds. As a result, $357.4 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. The refunding resulted in a difference of $28.8 million between the net carrying amount of the old debt and the reacquisition price. This difference, reported in the accompanying financial statement as a deferred outflow of resources, is being amortized to interest expense over the life of the old bonds. Total debt service payments decreased by $36.2 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of $31.1 million.

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The City's General Obligation, General Obligation Pension, Waterworks and Sewer System, General Airport Revenue, Civic Center Convention Complex, Dallas Convention Center Development Corp, and Downtown Dallas Development Authority bonds' underlying ratings as of September 30, 2016 are listed below.

	Moody's Investors Service	Standard & Poor's	Fitch
General Obligation Bonds	Aa2	AA	AA+
General Obligation Pension Bonds	Aa2	AA	AA+
Revenue Bonds:			
Waterworks and Sewer System	Aa1	AAA	AA+
General Airport Revenue	A1	A	A
Civic Center Convention Complex	A1	A	N/R
Dallas Convention Center Development Corp	A2	A	N/R
Downtown Dallas Development Authority	Aa2	A	N/R

During the year, Moody's downgraded the City's General Obligation debt, including the Pension Bonds, from Aa1 to Aa2, and Dallas Convention Center Development Corp. from A1 to A2; and Standard and Poor's downgraded the General Obligation debt, including Pension Bonds, from AA+ to AA, Dallas Convention Center Development Corp. from A+ to A, and Downtown Dallas Development Authority from A+ to A. More detailed information about the City's long-term liabilities is presented in Note 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Dallas City Council has identified five key focus areas – Public Safety; Economic Vibrancy; Clean, Healthy Environment; Culture, Arts, Recreation, & Education; and E-Gov. Property value for the tax roll as of January 1, 2016 is $110.4 billion; which is a 10.04 percent increase from the 2015 tax roll. For the first time in ten years, citizens will see a tax rate decrease. The adopted fiscal year 2016-17 tax rate of $78.25 per $100 valuation is a $1.45 reduction from the fiscal year 2015-16 adopted tax rate of $79.70. The fiscal year 2016-17 budget of $3.1 billion is balanced, utilizing various cost containment strategies, revenue enhancements, and operational efficiencies

With the multitude of water challenges across Texas, the City will continue to focus on maintaining infrastructure, conserving resources, and providing for future needs through replacement of aged water and wastewater mains; improvements at water treatment plants to improve reliability and water quality as well as increase capacity; continued water conservation efforts; and the TRWD integrated pipeline project to connect Lake Palestine to Dallas' water supply system to meet future needs. In order to achieve these goals, it was necessary to implement a water rate increase of 2.6 percent for retail revenue and 6.7 percent for wholesale revenue.

The City of Dallas is experiencing areas of economic growth. The City's unemployment rate of 3.9 percent is below the national average of 4.9 percent, and existing home sales and housing starts are increasing. Property tax revenue is the single largest revenue source and accounts for 50 percent of General fund revenue. Fiscal year 2017 will mark the fifth consecutive year of growth in property value that includes $2.5 billion in new constructions. As the second largest revenue source in General Fund, sales tax revenue is projected at $292.2 million for fiscal year 2016-17; which is a 3.9 percent increase from fiscal year 2015-16 budget. The combined property tax and sales tax revenue in General Fund budget increased by $61.5 million from fiscal year 2016 to fiscal year 2017.

In fiscal year 2016-17 the City will focus resources to the following areas:

- Strengthen public safety and code enforcement
- Maintain street infrastructure and the overall satisfactory level on streets and alleys
- Prepare for significant challenges that threaten the financial stability of the City

The City's fiscal year 2017 capital budget also provides $524.7 million for capital projects, principally for four major categories: $184.5 million for general purpose capital improvements, $311.5 million for water utilities capital improvements, $14.1 million for aviation facilities, and $14.6 million for convention and event services.

On November 8, 2016, City of Dallas voters approved changes to the Employees' Retirement Fund (ERF) for employees hired on or after January 1, 2017. The changes included a reduction in the benefit multiplier from 2.75 percent to 2.5 percent; an increase in the normal retirement age from 60 to 65; an actuarially reduced benefit for retirees under age 65 whose age plus years of service equal 80; an increase in service retirement from 30 to 40 years; and elimination of the health benefit supplement. On May 9, 2017, the ERF board of trustees also voted to decrease the interest rate used for certain economic assumptions. The effect of these changes will be reflected in the City's Comprehensive Annual Financial Report for the fiscal year ending September 30, 2017.

On May 31, 2017, Texas Governor Greg Abbott signed into law House Bill 3158, affecting the Dallas Police and Fire Pension System ("Pension System"). House Bill 3158 primarily amends 6243a-1, Texas Revised Statutes, including amendments to provisions concerning benefits, contributions, and governance, among other things. These changes take effect September 1, 2017, contingent upon the board's continued prohibition on lump-sum distributions from Deferred Retirement Option Plan accounts. For more information, see Note 20D in the notes to the financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances, and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the City Controller's Office, at City of Dallas, 1500 Marilla, Room 2BS, Dallas, Texas 75201.

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CITY OF DALLAS, TEXAS
STATEMENT OF NET POSITION
September 30, 2016
(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Governmental	Business-type
Assets					
Cash and cash equivalents	$ 383,198	$ 392,766	$ 775,964	$ 19,804	$ 63,936
Other investments, at fair value	13,016	-	13,016	3,413	-
Receivables, net	201,334	95,547	296,881	902	8,912
Internal balances	1,326	(1,326)	-	-	-
Prepaid items	4,115	10,527	14,642	7	762
Inventories, at cost	13,763	16,074	29,837	-	503
Other assets	2,045	123	2,168	831	29
Restricted assets:					
Cash and cash equivalents	686,696	312,862	999,558	7,957	27,259
Other investments, at fair value	-	130,655	130,655	-	37,052
Future pipeline reserve capacity rights	-	155,720	155,720	-	-
Customer assessments	-	652	652	-	-
Capital assets:					
Land	492,553	316,733	809,286	509	27,511
Artwork	49,501	3,396	52,897	-	-
Construction in progress	342,716	1,034,279	1,376,995	-	-
Water rights	-	353,910	353,910	-	-
Buildings	1,309,879	1,823,570	3,133,449	1,958	330,732
Improvements other than buildings	667,677	498,742	1,166,419	-	-
Equipment	665,925	710,362	1,376,287	98	42,093
Infrastructure assets	2,448,749	603,239	3,051,988	-	-
Utility property	-	3,789,642	3,789,642	-	-
Less accumulated depreciation	(2,147,676)	(2,665,858)	(4,813,534)	(281)	(54,988)
Total assets	5,134,817	7,581,615	12,716,432	35,198	483,801
Deferred outflows of resources					
Deferred loss on refunding	28,354	77,009	105,363	-	-
Deferred outflows of resources related to pensions	2,663,988	478,000	3,141,988	-	-
Total deferred outflows of resources	2,692,342	555,009	3,247,351	-	-
Liabilities					
Accrued payroll	21,181	1,942	23,123	-	1,209
Accounts payable	51,419	40,263	91,682	245	5,259
Due to other governments	4,531	475	5,006	-	-
Contracts payable	12,165	-	12,165	-	-
Other liabilities	8,510	1,175	9,685	307	434
Construction accounts payable	37,668	72,857	110,525	-	-
Accrued bond interest payable	15,814	52,294	68,108	156	15,626
Unearned revenue	54,746	7,751	62,497	-	5,143
Customer deposits	5,216	18,804	24,020	-	-
Customer construction advances	-	1,177	1,177	-	-
Noncurrent liabilities:					
Due within one year	246,170	138,041	384,211	2,769	5,990
Due in more than one year	10,699,020	4,582,722	15,281,742	94,037	481,780
Total liabilities	11,156,440	4,917,501	16,073,941	97,514	515,441
Deferred inflows of resources					
Deferred inflows of resources related to pensions	24,146	10,709	34,855	-	-
Other deferred inflows of resources	-	-	-	75	24
Total deferred inflows of resources	24,146	10,709	34,855	75	24
Net position					
Net investment in capital assets	2,640,551	2,917,498	5,558,049	2,284	(57,088)
Restricted for:					
Capital projects	7,795	-	7,795	-	-
Debt service	2,414	244,121	246,535	8,623	-
General government	51,612	-	51,612	-	-
Storm water operations	44,003	-	44,003	-	-
Public safety	10,868	-	10,868	-	-
Culture and recreation	22,654	-	22,654	-	-
Streets and transportation	11,213	-	11,213	-	-
Other purposes	9,742	-	9,742	-	-
Permanent funds - nonexpendable	9,237	-	9,237	-	-
Emergency repairs and replacements	-	5,000	5,000	-	-
Operation and maintenance expenses	-	11,046	11,046	-	-
Passenger facility charges	-	28,803	28,803	-	-
Unrestricted	(6,163,516)	1,946	(6,161,570)	(73,298)	25,424
Total net position	$ (3,353,427)	$ 3,208,414	$ (145,013)	$ (62,391)	$ (31,664)

The notes to financial statements are an integral part of this statement.

CITY OF DALLAS, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016
(in thousands)

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	$ 339,671	$ 115,901	$ 11,940	$ 10,840
Public safety	1,345,492	102,308	12,781	80
Streets, street lighting, and code enforcement	195,187	18,984	2,208	668
Environmental and health services	19,431	71	18,048	-
Public works and transportation	88,141	6,551	1,522	18,624
Equipment and building services	50,829	1,157	-	-
Culture and recreation	222,921	21,467	2,326	880
Housing	32,694	2,973	1,569	-
Human services	26,789	122	25,166	-
Interest on long-term debt	80,890	-	-	-
Total governmental activities	2,402,045	269,534	75,560	31,092
Business-Type activities:				
Dallas water utilities	586,505	607,329	-	15,869
Convention center	105,869	32,858	5,674	-
Airport revenues	137,143	123,757	669	21,408
Sanitation	116,152	102,283	-	-
Municipal radio	3,009	1,608	-	40
Building inspection	45,988	33,648	-	-
Total business-type activities	994,666	901,483	6,343	37,317
Total primary government	3,396,711	1,171,017	81,903	68,409
Component units:				
Governmental	18,102	3,696	-	-
Business-Type	114,385	103,913	9,207	-
Total component units	132,487	107,609	9,207	-

General revenues:
- Ad valorem tax
- Tax increment financing, intergovernmental revenue
- Sales taxes
- Franchise fees
- Hotel occupancy tax
- Alcohol beverage tax
- Investment income
- Other revenues

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year (restated - see note 19)

Net position, end of year

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-Type Activities	Total	Component Units Governmental	Component Units Business-Type
$ (200,990)	$ -	$ (200,990)	$ -	$ -
(1,230,323)	-	(1,230,323)	-	-
(173,327)	-	(173,327)	-	-
(1,312)	-	(1,312)	-	-
(61,444)	-	(61,444)	-	-
(49,672)	-	(49,672)	-	-
(198,248)	-	(198,248)	-	-
(28,152)	-	(28,152)	-	-
(1,501)	-	(1,501)	-	-
(80,890)	-	(80,890)	-	-
(2,025,859)	-	(2,025,859)	-	-
-	36,693	36,693	-	-
-	(67,337)	(67,337)	-	-
-	8,691	8,691	-	-
-	(13,869)	(13,869)	-	-
-	(1,361)	(1,361)	-	-
-	(12,340)	(12,340)	-	-
-	(49,523)	(49,523)	-	-
(2,025,859)	(49,523)	(2,075,382)	-	-
			(14,406)	-
			-	(1,265)
			(14,406)	(1,265)
791,420	-	791,420	-	-
6,473	-	6,473	16,796	-
285,669	-	285,669	-	-
140,184	-	140,184	-	-
-	59,225	59,225	-	-
-	12,058	12,058	-	-
10,089	6,786	16,875	19	1,118
16,771	699	17,470	-	11,066
32,856	(32,856)	-	-	-
1,283,462	45,912	1,329,374	16,815	12,184
(742,397)	(3,611)	(746,008)	2,409	10,919
(2,611,030)	3,212,025	600,995	(64,800)	(42,583)
$ (3,353,427)	$ 3,208,414	$ (145,013)	$ (62,391)	$ (31,664)

CITY OF DALLAS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016
(in thousands)

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and cash equivalents	$ 177,790	$ 10,148	$ 143,542	$ 331,480
Other investments, at fair value	-	-	13,016	13,016
Receivables:				
Ad valorem tax	28,041	12,077	-	40,118
Sales tax	49,156	-	-	49,156
Notes	126	-	65,405	65,531
Special assessments-paving notes	-	-	5,640	5,640
Accounts	100,285	-	22,258	122,543
Accrued interest	217	14	1,207	1,438
Allowance for uncollectible accounts	(63,920)	(10,375)	(42,123)	(116,418)
Due from other governments	113	-	33,062	33,175
Due from other funds	3,959	466	7,635	12,060
Prepaid items	-	-	4,086	4,086
Inventories, at cost	10,659	-	-	10,659
Restricted cash and cash equivalents	-	-	686,696	686,696
Notes receivable from other funds	-	-	4,161	4,161
Total assets	306,426	12,330	944,585	1,263,341
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accrued payroll	20,250	-	512	20,762
Accounts payable	31,811	-	8,194	40,005
Due to other funds	268	-	4,215	4,483
Unearned revenue	9,038	-	46,547	55,585
Due to other governments	2,405	-	2,126	4,531
Construction accounts payable	-	-	37,668	37,668
Notes payable to other funds	-	-	10,412	10,412
Customer deposits	5,196	-	20	5,216
Contracts payable	-	-	12,165	12,165
Other liabilities	5,205	-	1,910	7,115
Total liabilities	74,173	-	123,769	197,942
Deferred inflows of resources				
Unavailable revenue	41,222	1,242	39,455	81,919
Fund balances				
Nonspendable	10,659	-	17,484	28,143
Restricted	9,593	11,088	750,096	770,777
Committed	1,250	-	13,781	15,031
Assigned	15,836	-	-	15,836
Unassigned	153,693	-	-	153,693
Total fund balance	191,031	11,088	781,361	983,480
Total liabilities, deferred inflows, and fund balances	$ 306,426	$ 12,330	$ 944,585	$ 1,263,341

CITY OF DALLAS, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2016
(in thousands)

Total fund balances - governmental funds		$ 983,480
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	490,857	
Artwork	49,501	
Construction in progress	342,557	
Infrastructure assets	2,446,927	
Buildings	1,305,444	
Improvements other than buildings	666,688	
Equipment	536,139	
Accumulated depreciation	(2,027,420)	
Total capital assets		3,810,693
Deferred outflows from refunding of debt represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		28,354
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		81,919
Internal service funds are used by management to charge the costs of certain activities, such as equipment services, communication equipment services, office services, information services, and insurance. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		(69,727)
A portion of unearned revenue represents funds received in advance for Section 108 loans that have not been loaned to developers.		839
Some long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds. Those liabilities consist of:		
Bonds payable, plus unamortized bond premium and accretion	2,022,960	
Capital leases	59,117	
Accrued interest on bonds and notes	15,814	
Developer payable	93,464	
Notes payable	53,113	
Compensated absences	113,853	
Sales tax refund	8,159	
Other postemployment benefits	194,008	
Pollution remediation	4,323	
Total long-term liabilities		(2,564,811)
Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and, therefore, are not reported in the funds. These amounts consist of:		
Net pension liability	8,164,045	
Deferred outflows of resources	(2,561,711)	
Deferred inflows of resources	21,840	
		(5,624,174)
Net position of governmental activities		$ (3,353,427)

CITY OF DALLAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016
(in thousands)

	General	Debt Service	Nonmajor Governmental Funds	Total
Revenues:				
Ad valorem tax	$ 534,289	$ 220,070	$ 36,728	$ 791,087
Tax increment financing, intergovernmental	-	-	6,473	6,473
Sales tax	285,669	-	-	285,669
Franchise fees	135,098	-	5,086	140,184
Licenses and permits	6,232	-	-	6,232
Intergovernmental	9,543	-	88,786	98,329
Service to others	109,736	-	73,223	182,959
Fines and forfeitures	29,922	-	9,340	39,262
Investment income	1,865	219	7,720	9,804
Contributions and gifts	53	-	15,217	15,270
Confiscated money awards	-	-	3,256	3,256
Other revenues	8,732	1,401	2,507	12,640
Total revenues	1,121,139	221,690	248,336	1,591,165
Current expenditures:				
General government	101,376	-	122,966	224,342
Public safety	688,943	-	11,487	700,430
Streets,street lighting, and code enforcement	127,411	-	2,061	129,472
Environmental and health services	-	-	18,576	18,576
Public works and transportation	7,239	-	10,807	18,046
Equipment and building services	24,293	-	82	24,375
Culture and recreation	128,089	-	12,477	140,566
Housing	11,932	-	-	11,932
Human services	-	-	25,285	25,285
Debt service:				
Principal	18,801	141,255	5,178	165,234
Interest and fiscal charges	1,564	89,389	2,156	93,109
Payment to refunded bond escrow agent	-	2,880	-	2,880
Capital outlay	13,062	-	215,664	228,726
Total expenditures	1,122,710	233,524	426,739	1,782,973
Excess (deficiency) of revenues over (under) expenditures	(1,571)	(11,834)	(178,403)	(191,808)
Other financing sources (uses):				
Transfers in	15,593	6,233	32,639	54,465
Transfers out	(9,426)	-	(9,839)	(19,265)
Proceeds from sale of capital assets	213	-	397	610
Premium on debt issued	-	-	31,556	31,556
Issuance of general obligation bonds	-	-	192,195	192,195
Refunding bonds issued	-	2,880	-	2,880
Capital lease	52	-	24,303	24,355
Proceeds from repayment of notes receivable	-	-	6,143	6,143
Issuance of notes	-	-	13,760	13,760
Total other financing sources (uses)	6,432	9,113	291,154	306,699
Net change in fund balances	4,861	(2,721)	112,751	114,891
Fund balances, beginning of year (restated - see note 19)	186,170	13,809	668,610	868,589
Fund balances, end of year	$ 191,031	$ 11,088	$ 781,361	$ 983,480

The notes to finanical statements are an integral part of this statement.

CITY OF DALLAS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016
(in thousands)

Net change in fund balances-total governmental funds			$ 114,891
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			
Capital outlay	228,726		
Capital contributions	696		
Capital assets acquired through developer payable	11,335		
Depreciation expense	(115,730)		
Net adjustment			125,027
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.			
Proceeds from sale of capital assets	(610)		
Net gain/(loss) on disposal of capital assets	(2,616)		
			(3,226)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in “unavailable” revenues.			6,268
The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Debt issued:			
Premium on debt issued		(31,556)	
Commercial paper notes payable		(10,220)	
General obligation bonds and certificates of obligation		(195,075)	
Notes payable		(3,540)	
Capital leases		(24,355)	
Repayments:			
Capital lease principal payment		17,726	
Sales tax refund liability		1,398	
Note principal payment		4,855	
Bond principal payments		116,257	
Payment to refunded bond escrow agent		2,880	
Commercial paper notes payment		25,000	
Net adjustment			(96,630)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Increase in accrued interest payable		(6,134)	
Amortization of premium, discount and refunding deferral		22,349	
Accretion on capital appreciation bonds		(3,997)	
Increase in other postemployment benefits		(7,595)	
Increase in pollution remediation liability		(463)	
Decrease in compensated absences		2,073	
Increase in developer payable		(24,913)	
Total adjustment			(18,680)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, compensated absences, and computer replacement, to individual funds. The change in net position for these funds is reported with the governmental activities			(39,841)
Changes to net pension liabiity and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			(830,206)
Change in net position of governmental activities			$ (742,397)

The notes to financial statements are an integral part of this statement.

CITY OF DALLAS, TEXAS
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-NON-GAAP BUDGETARY BASIS
Year Ended September 30, 2016
(in thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget-Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem tax	$ 559,636	$ 559,636	$ 560,307	$ 671
Sales tax	281,272	281,272	283,918	2,646
Other tax and franchise revenues	133,043	133,043	134,920	1,877
Licenses and permits	6,067	6,067	6,523	456
Intergovernmental	7,432	7,432	8,019	587
Services to others	87,873	87,973	85,252	(2,721)
Fines and forfeitures	33,462	35,875	37,551	1,676
Investment income	961	961	1,970	1,009
Other revenue	10,068	10,068	12,412	2,344
Total revenues	1,119,814	1,122,327	1,130,872	8,545
Expenditures:				
General government				
City attorney's office	15,886	15,686	15,637	49
City auditor's office	3,004	2,954	2,929	25
Office of financial services	2,957	2,932	2,758	174
Independent audit	786	789	789	-
Non-departmental	57,926	57,085	52,540	4,545
City controller's office	4,541	4,411	4,385	26
City manager's office	1,972	1,972	1,932	40
Municipal court - Judiciary	3,231	2,991	2,895	96
Court and detention services	11,563	11,138	10,999	139
Jail contract-Lew Sterrett	7,557	7,557	7,557	-
Civil service	2,599	2,569	2,373	196
Sustainable development and construction	1,438	1,128	806	322
Office of economic development	1,819	1,819	1,751	68
Mayor and city council	4,243	4,331	4,280	51
Office of management services	8,544	8,094	8,062	32
Human resources	4,789	4,789	4,307	482
Business development and procurement services	2,885	2,903	2,903	-
Elections	97	754	733	21
City secretary's office	2,005	2,005	1,888	117
Total general government	137,842	135,907	129,524	6,383
Public safety				
Dallas police department	451,882	459,407	458,644	763
Dallas fire department	239,567	239,567	238,317	1,250
9-1-1 systems operations	16,292	16,292	11,728	4,564
Total public safety	707,741	715,266	708,689	6,577
Streets, street lighting, and code enforcement				
Code compliance	38,569	39,724	39,401	323
Street services	71,531	72,731	72,702	29
Street lighting	17,525	17,525	17,464	61
Total streets, street lighting, and code enforcement	127,625	129,980	129,567	413
Public works and transportation	5,911	5,911	5,482	429

continued

CITY OF DALLAS, TEXAS
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-NON-GAAP BUDGETARY BASIS (continued)
Year Ended September 30, 2016
(in thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget-Positive (Negative)
	Original	Final		
Trinity Watershed Management	$ 1,526	$ 1,126	$ 990	$ 136
Equipment and building services	23,831	24,160	24,160	-
Culture and recreation				
Library	30,509	30,034	29,062	972
Office of cultural affairs	17,671	17,701	17,699	2
Park and recreation	85,646	86,351	86,351	-
Total culture and recreation	133,826	134,086	133,112	974
Housing/Community services	11,936	11,936	11,932	4
Planning and neighborhood vitality	4,232	3,782	3,766	16
Total expenditures	1,154,470	1,162,154	1,147,222	14,932
Excess (deficiency) of revenues over (under) expenditures	(34,656)	(39,827)	(16,350)	23,477
Other financing sources (uses):				
Interfund transfers in	41,278	44,449	41,361	(3,088)
Interfund transfers out	(6,622)	(4,622)	(4,622)	-
Total other financing sources (uses)	34,656	39,827	36,739	(3,088)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	-	20,389	26,565
Fund balances, beginning of year (restated)	155,383	155,383	155,383	-
Fund balances, end of year	$ 155,383	$ 155,383	$ 175,772	$ 26,565

CITY OF DALLAS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2016
(in thousands)

	Business-Type Activities Enterprise Funds						
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Assets							
Current assets:							
Pooled cash and cash equivalents	$ 173,400	$ 69,494	$ 78,277	$ 19,030	$ 52,565	$ 392,766	$ 51,718
Receivables:							
Accounts	73,633	3,211	7,264	14,551	475	99,134	96
Taxes	-	8,257	-	-	-	8,257	-
Accrued interest	637	142	169	34	72	1,054	55
Allowance for uncollectible accounts	(8,244)	(547)	(7)	(4,752)	(14)	(13,564)	-
Due from other governments		-	666	-	-	666	-
Due from other funds	268	-	-	-	-	268	-
Prepaid items	9,975	-	552	-	-	10,527	29
Inventories, at cost	13,595	581	1,641	257	-	16,074	3,104
Restricted assets:							
Customer assessments	625	-	27	-	-	652	-
Pooled cash and cash equivalents for current debt service	139,595	3,671	-	-	-	143,266	-
Cash and cash equivalents Held for construction purposes	27,032	4,157	-	-	-	31,189	-
Customer deposits:							
Pooled cash and cash equivalents	16,083	-	-	720	-	16,803	-
Other assets	123	-	-	-	-	123	2,045
Total current assets	446,722	88,966	88,589	29,840	53,098	707,215	57,047
Noncurrent assets:							
Capital Assets:							
Land	100,987	82,728	128,359	3,759	900	316,733	1,696
Artwork	-	-	3,396	-	-	3,396	-
Construction in progress	964,454	2,533	66,990	-	302	1,034,279	159
Water rights	353,910	-	-	-	-	353,910	-
Buildings	525,039	594,427	698,570	5,197	337	1,823,570	4,435
Improvements other than buildings	80,068	64,381	332,842	21,178	273	498,742	989
Infrastructure assets	579,704	12,636	4,896	6,003	-	603,239	1,822
Equipment	560,223	42,252	75,694	27,960	4,233	710,362	129,786
Utility property	3,789,642	-	-	-	-	3,789,642	-
Accumulated depreciation	(2,064,984)	(319,502)	(251,884)	(25,409)	(4,079)	(2,665,858)	(120,256)
Total capital assets	4,889,043	479,455	1,058,863	38,688	1,966	6,468,015	18,631
Other noncurrent assets:							
Restricted assets:							
Future pipeline reserve capacity rights	155,720	-	-	-	-	155,720	-
Held for construction purposes:							
Cash and cash equivalents	-	-	609	-	-	609	-
Other investment	-	-	49,858	-	-	49,858	-
Pooled cash and cash equivalents for future debt service	13,342	477	6,326	-	-	20,145	-
Pooled cash and cash equivalents for emergency repairs and replacements	-	-	5,000	-	-	5,000	-
Pooled cash and cash equivalents for operation and maintenance expenses	-	-	11,046	-	-	11,046	-
Pooled cash and cash equivalents for passenger facility charges	-	-	28,803	-	-	28,803	-
Other investments for future debt service at fair value	89,954	22,962	17,739	-	-	130,655	-
Cash and cash equivalents held by escrow agent	6,143	-	-	-	-	6,143	-
Notes receivable from other funds	6,251	-	-	-	-	6,251	-
Total other noncurrent assets	271,410	23,439	119,381	-	-	414,230	-
Total noncurrent assets	5,160,453	502,894	1,178,244	38,688	1,966	6,882,245	18,631
Total assets	5,607,175	591,860	1,266,833	68,528	55,064	7,589,460	75,678
Deferred outflows of resources							
Deferred loss on refunding	72,109	4,779	19	65	37	77,009	-
Deferred outflows of resources related to pensions	281,409	16,838	34,911	88,977	55,865	478,000	102,277
Total deferred outflows of resources	$ 353,518	$ 21,617	$ 34,930	$ 89,042	$ 55,902	$ 555,009	$ 102,277

CITY OF DALLAS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (continued)
September 30, 2016
(in thousands)

	Business-Type Activities Enterprise Funds						Governmental Activities- Internal Service Funds
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds	Total	
Liabilities							
Current liabilities:							
Accrued payroll	$ 1,101	$ 85	$ 156	$ 375	$ 225	$ 1,942	$ 419
Accounts payable	18,729	7,365	8,873	4,935	361	40,263	11,414
Compensated absences	5,140	351	667	1,341	1,078	8,577	1,923
Due to other governments	-	9	-	466	-	475	-
Due to other funds	-	-	-	7,845	-	7,845	-
Unearned revenue	-	41	1,133	586	5,991	7,751	-
Estimated unpaid health claims	-	-	-	-	-	-	7,183
Estimated unpaid claims - general	-	-	-	-	-	-	7,468
Workers' compensation	-	-	-	-	-	-	6,519
Accrued interest payable on notes	224	16	1	120	41	402	-
General obligation bonds	-	-	-	966	-	966	-
Pension obligation bonds	1,543	110	145	504	281	2,583	-
Pollution remediation	-	59	15	-	-	74	-
Notes payable	-	-	266	-	-	266	-
Obligation for revenue credit agreement	-	-	7,340	-	-	7,340	-
Landfill closure/postclosure	-	-	-	251	-	251	-
Capital leases	-	-	1,034	-	-	1,034	-
Other liabilities	-	-	-	-	1,175	1,175	1,395
Total current liabilities	26,737	8,036	19,630	17,389	9,152	80,944	36,321
Current liabilities (payable from restricted assets):							
Construction accounts payable	59,135	455	12,563	704	-	72,857	-
Accrued interest payable on bonds	38,177	1,947	11,768	-	-	51,892	-
Water transmission facilities financing agreement	9,025	-	-	-	-	9,025	-
Revenue bonds	100,980	6,945	-	-	-	107,925	-
Total current liabilities (payable from restricted assets)	207,317	9,347	24,331	704	-	241,699	-
Total current liabilities	234,054	17,383	43,961	18,093	9,152	322,643	36,321
Noncurrent liabilities:							
Commercial paper notes payable	48,322	-	-	-	-	48,322	-
Revenue bonds	2,178,079	294,721	121,228	-	-	2,594,028	-
Obligation for revenue credit agreement	-	-	427,437	-	-	427,437	-
Accreted interest on pension obligation bonds	28,056	2,002	2,629	9,173	5,110	46,970	-
General obligation bonds	-	-	-	7,430	-	7,430	-
Pension obligation bonds	69,985	4,982	6,557	22,879	12,752	117,155	-
Water transmission facilities financing agreement	446,795	-	-	-	-	446,795	-
Capital leases	-	-	72,865	-	-	72,865	-
Total long-term debt	2,771,237	301,705	630,716	39,482	17,862	3,761,002	-
Other long-term liabilities:							
Estimated unpaid claims - general	-	-	-	-	-	-	12,980
Other postemployment benefits	28,453	1,938	4,073	9,550	4,943	48,957	9,235
Net pension liability	427,999	25,429	52,872	135,742	84,289	726,331	155,631
Workers' compensation	-	-	-	-	-	-	28,897
Customer deposits	16,469	1,615	-	720	-	18,804	-
Customer construction advances	1,177	-	-	-	-	1,177	-
Pollution remediation	-	-	440	-	-	440	-
Landfill closure/postclosure	-	-	-	35,680	-	35,680	-
Compensated absences	6,179	422	803	1,612	1,296	10,312	2,312
Total other long-term liabilities	480,277	29,404	58,188	183,304	90,528	841,701	209,055
Total noncurrent liabilities	3,251,514	331,109	688,904	222,786	108,390	4,602,703	209,055
Total liabilities	3,485,568	348,492	732,865	240,879	117,542	4,925,346	245,376
Deferred inflows of resources							
Deferred inflows of resources related to pensions	6,315	373	775	2,026	1,220	10,709	2,306
Net Position							
Net investment in capital assets	2,229,460	181,491	466,597	37,984	1,966	2,917,498	18,631
Restricted:							
Debt service	204,714	27,110	12,297	-	-	244,121	-
Emergency repairs and replacements	-	-	5,000	-	-	5,000	-
Operation and maintenance expenses	-	-	11,046	-	-	11,046	-
Passenger facility charges	-	-	28,803	-	-	28,803	-
Unrestricted	34,636	56,011	44,380	(123,319)	(9,762)	1,946	(88,358)
Total net position	$ 2,468,810	$ 264,612	$ 568,123	$ (85,335)	$ (7,796)	$ 3,208,414	$ (69,727)

CITY OF DALLAS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2016
(in thousands)

	Business-Type Activities Enterprise Funds						
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds	Total	Governmental Activities-Internal Service Funds
Operating revenues:							
Customer charges	$ 607,329	$ 32,858	$ 95,028	$ 102,283	$ 35,256	$ 872,754	$ -
Charges to other City departments	-	-	-	-	-	-	218,358
Charges to employees/retirees	-	-	-	-	-	-	54,442
Intergovernmental	-	5,674	669	-	-	6,343	-
Other revenues	-	58	433	8	200	699	617
Total operating revenues	607,329	38,590	96,130	102,291	35,456	879,796	273,417
Operating expenses:							
Personnel services	184,352	13,098	25,608	61,340	38,684	323,082	77,898
Supplies and materials	106,135	4,185	7,003	7,195	1,169	125,687	25,531
Contractual and other services	113,545	52,881	45,572	42,920	8,139	263,057	204,357
Depreciation	115,500	18,872	29,569	2,805	61	166,807	4,051
Total operating expenses	519,532	89,036	107,752	114,260	48,053	878,633	311,837
Operating income (loss)	87,797	(50,446)	(11,622)	(11,969)	(12,597)	1,163	(38,420)
Nonoperating revenues (expenses):							
Investment income	4,101	780	1,322	218	365	6,786	285
Alcohol beverage tax	-	12,058	-	-	-	12,058	-
Hotel occupancy tax	-	59,225	-	-	-	59,225	-
Passenger facility charges	-	-	28,729	-	-	28,729	-
Interest on bonds and notes	(66,912)	(16,833)	(29,357)	(1,892)	(944)	(115,938)	-
Net gain (loss) on property disposals	(61)	-	(34)	-	-	(95)	638
Total nonoperating revenues (expenses)	(62,872)	55,230	660	(1,674)	(579)	(9,235)	923
Income (loss) before contributions and transfers	24,925	4,784	(10,962)	(13,643)	(13,176)	(8,072)	(37,497)
Capital contributions	15,869	-	21,408	-	40	37,317	-
Transfers in	739	-	-	-	-	739	-
Transfers out	(22,763)	(6,278)	(236)	(4,150)	(168)	(33,595)	(2,344)
	(6,155)	(6,278)	21,172	(4,150)	(128)	4,461	(2,344)
Change in net position	18,770	(1,494)	10,210	(17,793)	(13,304)	(3,611)	(39,841)
Net position, beginning of year (restated - see note 19)	2,450,040	266,106	557,913	(67,542)	5,508	3,212,025	(29,886)
Net position, end of year	$ 2,468,810	$ 264,612	$ 568,123	$ (85,335)	$ (7,796)	$ 3,208,414	$ (69,727)

"Dallas, the City that works:
diverse, vibrant, and progressive."

CITY OF DALLAS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2016
(in thousands)

	Business-Type Activities Enterprise Funds			
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation
Cash flows from operating activities:				
Cash received from customers	$ 615,424	$ 39,288	$ 95,711	$ 103,324
Cash payments to suppliers for goods and services	(105,435)	(2,073)	(15,034)	(5,047)
Cash payments to employees for services	(92,900)	(7,214)	(14,044)	(32,687)
Cash payments for contractual services	(114,211)	(52,881)	(45,535)	(42,740)
Other operating cash receipts (payments)	-	64	433	7,887
Net cash provided by (used in) operating activities	302,878	(22,816)	21,531	30,737
Cash flows from non-capital financing activities:				
Taxes	-	70,875	-	-
Principal paid on pension obligation bonds	(1,512)	(106)	(142)	(494)
Interest paid on pension obligation bonds	(4,707)	(280)	(441)	(1,538)
Transfers from other funds	873	-	-	-
Transfers to other funds	(22,763)	(6,278)	(236)	(4,150)
Net cash provided by (used in) non-capital financing activities	(28,109)	64,211	(819)	(6,182)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(275,638)	(3,196)	(63,872)	(11,210)
Proceeds from sale of fixed assets	-	-	14	-
Proceeds from obligation for revenue bonds	622,786	-	-	-
Payment to refunded bond escrow agent	(366,097)	-	-	-
Principal paid on revenue bonds	(96,675)	(5,740)	-	-
Principal paid on notes payable and other obligations	(6,403)	(1,981)	(8,563)	(1,735)
Interest paid on bonds, notes, and other obligations	(117,932)	(15,948)	(28,813)	(410)
Bond issuance costs	-	-	-	-
Proceeds from sale of commercial paper notes	180,004	-	-	-
Retirement of commercial paper notes	(222,140)	-	-	-
Passenger facility charges	-	-	37,148	-
Net cash used in capital and related financing activities	(282,095)	(26,865)	(64,086)	(13,355)
Cash flows from investing activities:				
Purchase of investments	(80,000)	(3,984)	53,799	-
Maturity of investments	80,000	-	-	-
Investment income	4,466	730	1,350	207
Net cash provided by (used in) investing activities	4,466	(3,254)	55,149	207
Net increase (decrease) in cash and cash equivalents	(2,860)	11,276	11,775	11,407
Cash and cash equivalents, beginning of year	378,455	66,523	118,286	8,343
Cash and cash equivalents, end of year	$ 375,595	$ 77,799	$ 130,061	$ 19,750

The notes to financial statements are an integral part of this statement.

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
$ 35,703	$ 889,450	$ 272,877
(1,038)	(128,627)	(25,685)
(20,342)	(167,187)	(45,460)
(8,139)	(263,506)	(200,313)
335	8,719	(252)
6,519	338,849	1,167
-	70,875	-
(275)	(2,529)	-
(885)	(7,851)	-
64	937	-
(232)	(33,659)	(2,344)
(1,328)	27,773	(2,344)
(336)	(354,252)	3,524
-	14	(8,661)
-	622,786	-
-	(366,097)	-
-	(102,415)	-
-	(18,682)	-
-	(163,103)	-
-	-	-
-	180,004	-
-	(222,140)	-
-	37,148	-
(336)	(386,737)	(5,137)
-	(30,185)	-
-	80,000	-
350	7,103	284
350	56,918	284
5,205	36,803	(6,030)
47,360	618,967	57,748
$ 52,565	$ 655,770	$ 51,718

continued

CITY OF DALLAS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended September 30, 2016
(in thousands)

	Business-Type Activities Enterprise Funds			
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 87,797	$ (50,446)	$ (11,622)	$ (11,969)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	115,500	18,872	29,569	2,805
Change in assets and liabilities				
(Increase) Decrease in accounts and other receivables	7,603	196	844	568
(Increase) Decrease in customer assessments receivable	22	-	(18)	-
(Increase) Decrease in inventories	677	(75)	(271)	11
(Increase) Decrease in other assets	-	-	-	-
(Increase) Decrease in due from other governments	-	6	-	34
(Increase) Decrease in due from other funds	-	-	-	-
(Increase) Decrease in deferred outflows for pension contributions	(216,924)	(13,044)	(27,077)	(67,972)
Increase (Decrease) in accounts payable	23	2,187	(7,760)	2,137
Increase (Decrease) in accrued payroll	750	63	111	261
Increase (Decrease) in due to other funds	-	-	-	7,845
Increase (Decrease) in compensated absences	(42)	95	68	35
Increase (Decrease) in allowance for uncollectibles	(1,151)	(88)	5	(21)
Increase (Decrease) in unearned revenue	-	29	(817)	415
Increase (Decrease) in customer deposits	1,621	619	-	79
Increase (Decrease) in other post employment benefits	950	421	260	351
Increase (Decrease) in customer construction advances	(666)	-	-	-
Increase (Decrease) in estimated unpaid health claims	-	-	-	-
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-
Increase (Decrease) in workers' compensation	-	-	-	-
Increase (Decrease) in landfill liability	-	-	-	180
Increase (Decrease) in net pension liability	306,718	18,349	38,202	95,978
Increase (Decrease) in other liabilities	-	-	37	-
Total adjustments	215,081	27,630	33,153	42,706
Net cash provided by (used in) operating activities	302,878	(22,816)	21,531	30,737
Current Assets:				
Pooled cash and cash equivalents	$ 173,400	$ 69,494	$ 78,277	$ 19,030
Pooled cash and cash equivalents for current debt service	139,595	3,671	-	-
Held for construction purposes	27,032	4,157	-	-
Customer Deposits pooled cash and cash equivalents	16,083	-	-	720
Non-current Assets:				
Cash and cash equivalents				
Held by escrow agent	6,143	-	-	-
Held for construction purposes	-	-	609	-
For future debt service	13,342	477	6,326	-
For emergency repairs and replacements	-	-	5,000	-
For operation and maintenance expenses	-	-	11,046	-
For passenger facility charges	-	-	28,803	-
Total cash and cash equivalents end of year	$ 375,595	$ 77,799	$ 130,061	$ 19,750
Noncash investing, capital, and financing activities:				
Capital contributions	$ 15,869	$ -	$ 21,408	$ -
Inception of capital lease	-	-	44,831	-
Change in fair value of non-pooled investments	(421)	-	-	-
Premium/discount amortization	28,426	548	1,388	386
Accretion on capital appreciation bonds	4,005	286	375	1,309
Amortization of deferred gain/loss on refunding	6,574	-	-	-
Capital assets acquired through water transmission financing agreement	117,211	-	-	-
Decrease in future pipeline reserve capacity rights	(117,211)	-	-	-

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
$ (12,597)	$ 1,163	$ (38,420)
61	166,807	4,051
		-
139	9,350	77
-	4	-
-	342	295
-	-	(161)
-	40	-
-	-	488
(43,701)	(368,718)	(78,581)
131	(3,282)	477
151	1,336	290
-	7,845	-
(16)	140	27
-	(1,255)	-
308	(65)	-
-	2,319	-
201	2,183	889
-	(666)	-
-	-	470
-	-	3,118
-	-	(1,599)
-	180	-
61,707	520,954	110,942
135	172	(1,196)
19,116	337,686	39,587
6,519	338,849	1,167
$ 52,565	$ 392,766	$ 51,718
-	143,266	-
-	31,189	-
-	16,803	-
-	6,143	-
-	609	-
-	20,145	-
-	5,000	-
-	11,046	-
-	28,803	-
$ 52,565	$ 610,921	$ 51,718
$ 40	$ 37,317	-
-	44,831	-
-	(421)	-
122	30,870	-
729	6,704	-
-	6,574	-
-	117,211	-
-	(117,211)	-

CITY OF DALLAS, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2016
(in thousands)

	Agency Funds	Pension Trust Funds (1)
Assets		
Pooled cash and cash equivalents	$ 3,186	$ -
Cash and cash equivalents	-	163,009
Invested securities lending collateral	-	395,324
Receivables:		
Accounts	40	255,417
Accrued interest	5	20,858
Short-term investments	-	29,987
Equity securities	-	439,816
Domestic equities	-	935,950
U.S. and foreign government fixed income securities	-	596,864
Domestic corporate fixed income	-	664,380
International equities and fixed income	-	761,473
Commingled index funds	-	109,994
Real assets	-	1,135,348
Private equities and venture capital funds	-	870,097
Atlernative investments	-	395,026
Forward currency contracts	-	(389)
Prepaid expenses	-	200
Other assets	120	-
Capital assets, net	-	12,192
Total assets	3,351	6,785,546
Liabilities		
Accounts payable	1,883	9,848
Payable for securities purchased	-	45,485
Securities lending obligation	-	395,324
Other liabilities	1,468	433,100
Total liabilities	3,351	883,757
Net Position		
Net investment in capital assets	-	12,192
Restricted for pensions	-	5,889,597
Total net position	$ -	$ 5,901,789

(1) Information presented for the pension trust funds is as of December 31, 2015.

CITY OF DALLAS, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2016
(in thousands)

	Pension Trust Funds (1)
Additions:	
Contributions:	
Employer	$ 168,050
Employee	76,461
Total contributions	244,511
Net investment income:	
Interest and dividends	176,128
Net depreciation in fair value of investments	(440,295)
Securities lending income	2,252
Less investment expenses:	
Investment management fees	(27,471)
Custody fees	(138)
Consultant fees	(340)
Securities lending management fees	(508)
Total investment expenses	(28,457)
Net investment loss	(290,372)
Other income	294
Total decreases	(45,567)
Deductions:	
Benefit payments	520,963
Refund of contributions	6,640
Interest expense	6,050
Administrative expenses	13,076
Total deductions	546,729
Change in net position	(592,296)
Net position	
Beginning of year	6,494,085
End of year	$ 5,901,789

(1) Information presented for the pension trust funds is for the year ended December 31, 2015.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2016

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Note 1. Summary of Significant Accounting Policies

A. General

The City of Dallas, Texas ("the City") is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under the Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Unless otherwise indicated, amounts are presented in thousands (000's). The more significant accounting and reporting policies and practices used by the City are described below.

B. Reporting Entity

The accompanying basic financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The criteria considered in determining activities to be reported within the City's basic financial statements include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; and
- there is fiscal dependency by the organization on the City.

The City's municipal services, which include public safety (police and fire), streets, environmental and health services, code enforcement, public works and transportation, equipment and building, culture and recreation, housing and human services, and general administrative services, are included in the accompanying basic financial statements.

In addition, the City owns and operates certain enterprise funds including water utilities, convention services, airport, sanitation, and other enterprise activities that are also included in the accompanying basic financial statements.

Blended Component Units

Blended component units, although legally separate entities, are included as part of the primary government because they meet the above criteria as well as serve or benefit the City exclusively. Thus, blended component units are appropriately presented as funds of the primary government. The information reported for the pension trust funds is as of December 31, 2015 and the Love Field Airport Modernization Corporation (LFAMC) is as of September 30, 2016.

- Pension Trust Funds – The Pension Trust Funds have a December 31 year-end. The primary functions of the pension entities are investment and benefit management activities. Each board has contracted with various investment managers and banks for management of the portfolios of the plans. The City contributes on behalf of its employees to three defined benefit pension plans administered by two legally separate entities: the Employees' Retirement Fund of the City of Dallas, at 600 North Pearl Street, Suite 2450, Dallas, TX 75201; and Dallas Police and Fire Pension System, at 4100 Harry Hines Boulevard, Ste. 100, Dallas, TX 75219. Complete financial statements of each plan may be obtained at the administrative offices.
- Love Field Airport Modernization Corporation (LFAMC) – The City created the LFAMC, a Texas nonprofit local government corporation organized under Subchapter D of Chapter 431 of the Texas Transportation Code. The Corporation was formed to serve as a conduit financing entity for the purpose of issuing bonds to promote the development of the geographic area of the City included at or in the vicinity of Love Field Airport to promote, develop, and maintain the employment, commerce, aviation activity, tourism, and economic development in the City.

Note 1. Summary of Significant Accounting Policies (continued)

Discretely Presented Component Units – The following legally separate entities are reported as discretely presented component units of the City because the City appoints a voting majority of the boards, approves budgets, and maintains the ability to impose its will on the entities. The discretely presented component units of the governmental activities and the business-type activities are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government. The information reported for the Dallas Convention Center Hotel Development Corporation and the Housing Finance Corporation is as of December 31, 2015, and all others are as of September 30, 2016.

- Housing Finance Corporation – organized to issue tax-exempt mortgage revenue bonds to encourage opportunities for single-family residential home ownership among low to moderate-income citizens.
- Housing Acquisition and Development Corporation – organized solely and exclusively for the public purpose of providing safe, affordable housing facilities for low and moderate income persons.
- Dallas Development Fund – organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities.
- Downtown Dallas Development Authority – The primary function of the Downtown Dallas Development Authority (DDDA) is to increase the property tax base in the downtown area of the City. The DDDA operates in a manner similar to other tax increment financing zones of the City, but has a separate board. Its primary purpose is to issue revenue bonds to finance major improvements by developers.
- North Oak Cliff Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, the public welfare in the District, and educational scholarships for college-bound students residing in or out of the District.
- Cypress Waters Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, and the public welfare in the District.
- Dallas Convention Center Hotel Development Corporation – organized to promote the development of the geographic area of the City included at or in the vicinity of the Dallas Convention Center, in furtherance of the promotion, development, encouragement, and maintenance of employment, commerce, convention and meeting activity, tourism, and economic development in the City, including specifically, without limitation, the development and financing of a convention center hotel which is located within 1,000 feet of the Dallas Convention Center.

Entity financial statements are available for all of the above entities by contacting the City Controller's Office, 1500 Marilla, Room 2BS, Dallas, TX 75201.

Related Organizations

City officials are also responsible for appointing members to the boards of the following organizations, but the City's accountability for the organization does not extend beyond making appointment.

The Dallas/Fort Worth International Airport (DFW Airport) is jointly governed by the cities of Dallas and Fort Worth. The Cities approve the Airport's annual budget and all bond sales, but have no responsibility for the DFW Airport's debt service requirements. DFW Airport is governed by a 12-member board (Board) comprised of seven members representing the City of Dallas, four members representing the City of Fort Worth, and on an annual basis, one non-voting member from the neighboring cities of Irving, Grapevine, Euless and Coppell. Members of the Board are appointed by the respective City Councils. The Board is a semi-autonomous body charged with governing the DFW Airport and may enter into contracts without approval of the city councils.

The Dallas Housing Authority (Authority) is an independent organization, which has a scope of public service within the geographic boundaries of the City. Under Texas State Statutes, the responsibility for the administration and operations of the Authority is vested solely with the Authority's Board of Commissioners. The Authority is dependent on Federal funds from the Department of Housing and Urban Development and, as a result, is not financially dependent on the City. In addition, the City is not responsible for any deficits incurred and has no fiscal management control. The governing body of the Authority is its Board of Commissioners, composed of five members appointed by the Mayor of the City of Dallas. The Authority is not considered a component unit of the City, as defined by GASB since the City is not financially accountable for the operations of the Authority, has no responsibility to fund deficits or receive surpluses, and has not guaranteed the Authority's debt.

Note 1. Summary of Significant Accounting Policies (continued)

The Dallas Area Rapid Transit (DART) is a regional transportation authority under Chapter 452 of the Texas Transportation Code and is controlled by a 15-member board. The Dallas City Council appoints seven members and participating suburban city councils appoint eight board members. Its purpose is to provide transportation services in the DART service area. The voters in the DART service area approved a one percent sales tax to fund the authority annually. DART is not fiscally dependent on the City.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government and its non-fiduciary component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment.

Taxes and other items are reported as general revenues, rather than as program revenues.

Separate fund level financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary fund financial statements have no measurement focus, but do employ the accrual basis of accounting for purposes of asset and liability recognition. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows; however, agency funds report only assets and liabilities and have no measurement focus.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues received within 60 days of year-end to be available, in accordance with the City's accounting policy, except as noted in the paragraph below.

Revenues susceptible to accrual include ad valorem taxes, sales tax, ambulance fees, parking fines, franchise fees, and interest. In applying the susceptible to accrual concept to Federal and State grants, revenues are recognized when applicable eligibility requirements, including time requirements, are met. The grant revenues and developer and intergovernmental contributions availability period is considered to be one year. All other revenue items are considered to be measurable and available only when the City receives the cash as the resulting net receivables are deemed immaterial, such as court fines and fees.

Expenditures are generally recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, rebatable arbitrage, claims and judgments, other postemployment benefits, and pollution remediation are recorded only when matured and payment is due.

Note 1. Summary of Significant Accounting Policies (continued)

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

The City reports the following non-major governmental funds:

The Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The Permanent Funds are used to account for private endowments whereby interest earnings are restricted in accordance with the endowment terms.

Proprietary Funds and Pension Trust Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income, change in net position, financial position, and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the statement of net position.

The City reports the following major proprietary funds:

The Dallas Water Utilities Fund accounts for water and wastewater services for Dallas, area customer cities, and governmental entities. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The Convention Center Fund accounts for convention and event services for the Dallas Convention Center. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The Airport Revenues Fund accounts for the Dallas Airports System, which includes airport services and administration of Dallas Love Field, Executive Airport, and the Heliport. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service. DFW airport activity is not included in the financial statements.

The Sanitation Fund accounts for solid waste collection and disposal services for residential and commercial customers in Dallas. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The City reports the following non-major proprietary funds:

The non-major proprietary funds consist of Enterprise Funds, which are used to account for operations, other than the major proprietary funds listed above, and are operated in a manner similar to private business enterprises. Non-major Enterprise Funds include the operation of the municipal radio station and building inspections.

Additionally, the City reports the following funds:

The Internal Service Funds are used to allocate associated costs of centralized services on a cost-reimbursement basis. The services provided to other City departments are vehicles, vehicle maintenance, fuel and lubrication, communication services, data processing and programming services, office supplies, printing, copying and mailing services, and risk financing, including insurance-related activities.

Note 1. Summary of Significant Accounting Policies (continued)

The Pension Trust Fund accounts for the activities of the Employees' Retirement System, Police and Fire Pension System, and Supplemental Police and Fire Pension Plan. The three contributory defined benefit plans are used to accumulate resources for pension benefits payments to qualified employees.

The Agency Funds are used to account for assets held by the City, as an agent for individuals (employee war and savings bond fund, deferred compensation, cash escrow, confiscated money, and disposal deposit fund), and other funds for assets held by the City, in a trustee capacity (tax distribution, employee benefits, and the Dallas Tourism Public Improvement District deposit account).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes (PILOT) and other charges between the Dallas Water Utilities Fund and various other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

Operating revenues of the City's enterprise funds are charges to customers for sales and services, charges to other City departments, services to others, intergovernmental revenue, and other revenues. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in pooled cash as well as short-term investments with the exception of the Pension Trust Funds (which consider short-term investments as regular investments). Investment income on the pooled investments is prorated monthly based upon the average daily cash balance in each fund.

Investments in U.S. government obligations are recorded at fair value based on observable inputs; investments in money market mutual funds, local government investment pools and hedge funds are recorded at net asset value. Other investments, except hedge funds, held in trusts for various permanent funds are recorded at fair value based on quoted market prices. Pension investments are recorded at fair value based on quoted market values, when available. The amounts recorded in the Pension Trust Funds for real estate funds and venture capital funds represent estimated fair values based upon appraised values or other comparable methods. The Commingled Index Funds estimated fair values are based upon audited financial statements.

F. Property Taxes

The City's property tax is levied each October 1 on the assessed value as of the previous January 1 for all real and income-producing (or business personal) property. Appraised values are established by the Dallas, Denton, Collin, and Rockwall Central Appraisal Districts equal to 100 percent of appraised market value as required under the State Property Tax Code. The value of real property within the Appraisal District must be reviewed every three years. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. The City establishes tax rates on property within its jurisdiction. If the adopted tax rate, excluding tax rates for bonds and other contractual obligations, exceeds the effective tax rate by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate increase to no more than eight percent above the effective tax rate. Property taxes attach as an enforceable lien on property as of January 1 of the subsequent year.

Taxes are due October 1. Full payment can be made prior to the following January 31 to avoid penalty and interest charges. Current tax collections for the year ended September 30, 2016 were 97.65 percent of the tax levy. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per one hundred dollars of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for fiscal year 2016 was $0.797 per $100 dollars of assessed valuation, $0.5646 for general governmental services and $0.2324 for the payment of principal and interest on general obligation long-term debt.

Note 1. Summary of Significant Accounting Policies (continued)

G. Federal and State Grants and Entitlements

Grants and entitlements received for purposes normally financed through the general government are accounted for within the Special Revenue Funds. Grants and similar items are recognized as revenue as soon as all applicable eligibility requirements, excluding time requirements, have been met. Amounts received before time requirements are met, but after all other eligibility requirements have been met are reported as a deferred inflow of resources. Amounts received before eligibility requirements have been met are reported as unearned revenue.

H. Inventories

Inventory is valued at average cost. Inventory for all funds generally consists of expendable supplies held for consumption and are recorded as expenditures (or expenses) when consumed.

I. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond September 30, 2016. Prepaid items are recorded using the consumption method.

J. Restricted Assets

Proceeds of Enterprise Fund revenue bonds, commercial paper notes, and other financing arrangements, as well as resources set aside for revenue bond repayment, are classified as restricted assets on the statement of net position when their use is limited by applicable covenants. The Capital Project Funds record proceeds of debt issuances restricted for construction. The current Debt Service Funds are used to segregate resources accumulated for debt service payments over the next 12 months.

The assets restricted for revenue bond future debt service are used to report resources set aside to fulfill revenue bond debt reserve requirements. Other restricted assets include funds restricted for construction from revenue bond proceeds, contractual obligation debt service funds, unspent grant proceeds, and customer deposits. Assets restricted for a specific purpose are utilized before the use of unrestricted assets to pay related obligations when authorized to do so.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (examples include streets and bridges), are reported in the applicable governmental or business-type activities columns, in both the government-wide and proprietary fund level statement of net position. Generally, equipment with an individual cost of at least $5 thousand, infrastructure with a cost of at least $25 thousand, and buildings with a cost of at least $50 thousand and an estimated useful life of more than one year, are capitalized. Purchased or constructed capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Assets acquired by donation are recorded at acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital asset additions and improvements are capitalized as projects are constructed.

The business-type activities and proprietary funds capitalized interest costs during construction. Interest capitalized in the Dallas Water Utilities and Aviation Revenues during the year ended September 30, 2016 was $32.2 million and $1 million, respectively.

Depreciation, which includes amortization of assets under capital leases, is computed using the straight-line method over the estimated useful or service lives of the related assets beginning on the date of acquisition or the date placed in service.

Note 1. Summary of Significant Accounting Policies (continued)

The estimated useful lives of the primary government's capital assets are as follows:

	Useful Life	
	Governmental Activities	Business-type Activities
Infrastructure	10-50 years	50-100 years
Reservoirs and water rights	N/A	100 years
Buildings	10-50 years	10-50 years
Improvements other than buildings	10-50 years	10-100 years
Equipment	3-20 years	3-25 years
Utility property	N/A	33-75 years

Artwork is capitalized but not depreciated. These assets are maintained for public exhibition, education, or research and are being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other items for the collection.

L. Compensated Absences

The City's employees earn vacation, sick, and attendance incentive leave which may be used or accumulated up to certain amounts. Unused vacation and attendance incentive leave is paid upon death, retirement, or termination. Unused sick leave is reduced to a specified limit when paid upon retirement, certain terminations, or death.

In accordance with the criteria established in the Codification of Governmental Accounting Standards, Section C60, "Compensated Absences," a liability is recorded for vacation leave earned by employees attributable to past service and sick leave earned by employees attributable to past service only to the extent it is probable that such leave will result in termination pay. In addition, a liability has been recorded for certain salary related payments associated with the payment of accrued vacation and sick leave.

In the government-wide and proprietary fund statements of net position, all compensated absence liabilities incurred are recorded as liabilities. However, a liability is recorded in the governmental funds balance sheet only if they have matured and are due as a result of employee resignations, retirements, or termination.

M. Risk Management

The City is self-funded for workers' compensation, employee health insurance, most property damage, and the majority of tort liability exposures. Commercial insurance is used where it is legally required, contractually required, or judged to be the most effective way to finance risk. Indemnity and insurance protection are also required for all City contractors, vendors, lessees, and permit holders. Claims and judgments are recorded when it is probable that an asset has been impaired or a liability has been incurred, and the amount of loss can be reasonably estimated. The recorded estimated liability for claims and judgments includes a provision for Incurred but Not Reported (IBNR) liabilities for workers' compensation, tort cases, and employee health insurance.

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Note 1. Summary of Significant Accounting Policies (continued)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet and statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – The pension contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year.
- Difference in projected and actual earnings on pension assets, difference between estimated and actual experience, and changes in assumptions – These are amortized as a component of pension expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

In addition to liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify in this category. The first item arises only under the modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow is reclassified to revenue on the government-wide financial statements. The second item qualifies as deferred inflows of resources related to pensions. A deferred inflow is recorded in the government-wide statement of net position and fund level financials for the proprietary statements of net position for the difference in projected and actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The differences are amortized over the average remaining service life of all participants in the respective pension plans and recorded as a component of pension expense beginning with the period in which they are incurred. The Dallas Convention Center Hotel Development Corporation discretely presented component unit also reports a deferred inflow as a result of the advance for the Build America Bonds rebate.

O. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements of net position.

General obligation bonds are issued to fund capital projects of both the general government and certain proprietary funds, and are to be repaid from tax revenues of the City. Accreted interest on capital appreciation bonds is reflected as interest expense in the governmental activities statement of activities and as an addition to non-current liabilities in the statement of net position.

P. Bond Premiums, Discounts, and Issuance Costs

In the government-wide financial statements and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs, except any portion related to prepaid insurance costs (if applicable), are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs in the current period. The face amount of debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1. Summary of Significant Accounting Policies (continued)

Q. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund level balance sheets/statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Short-term and long-term interfund loans are classified as notes receivable or payable from other funds with interest rates ranging from 4.25 percent to 5.44 percent.

R. Transactions Between Funds

Transactions between funds, which would have been treated as revenues, expenditures, or expenses if they involved organizations external to the government unit, are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expenses in the fund reimbursed. All other nonreciprocal transactions between funds which are not reimbursements and where the funds do not receive equivalent goods or services for the transaction are classified as transfers.

S. Deferred Compensation Plan

There are three deferred compensation plans. Two of these plans are voluntary for City employees who participate in the City's pension plans. The third plan is mandatory for all employees and council members who are not covered by the City's pension plans. These plans comply with sections 401(k) and 457(b) of the Internal Revenue Code.

Participants in the City's voluntary 457 and 401(k) plans have full discretion to choose investments from a list of standard plan options, a linked brokerage account, and a commingled pool managed by Fidelity Management Trust Company. The list of standard plan options includes mutual funds with varying styles and levels of investment risk. All the account balances in the mandatory 457 plan are invested in the same commingled pool. All contributions to these plans are deferred by plan participants from their compensation and all the earnings are allocated to each participant's account. Distributions from all the deferred compensation plans are available after termination of employment. Additionally, participants in the City's voluntary plans may also take out loans and may receive hardship withdrawals in accordance with federal regulations. The assets held in these plans are not included in the City's financial statements and cannot be used for purposes other than the exclusive benefit of the participants or their beneficiaries or to pay the reasonable expenses of plan administration.

T. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained in perpetuity, and invested for the purpose of producing present and future income, which may be either expended or added to principal. The City is subject to the State of Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA) in relation to endowment funds.

The risk fund has a deficit net position of $64.2 million associated with the City's self-insured workers' compensation, auto, and general liability activities. The deficit results from the recognition of certain liabilities that will be paid in future periods. Those liabilities will be funded in the fiscal year in which they will be paid through annual budget appropriations. The City's approach for addressing this deficit is consistent with the budgetary basis of accounting for all funds as indicated in Note 2.B. The Sanitation, Municipal Radio, Building Inspection, Equipment Services and Communication Equipment Services funds had deficit net positions of $85 million, $1.7 million, $6.1 million, $10.5 million and $162 thousand, respectively, due to the recognition of the net pension liability. The City's approach for addressing this deficit is to enhance revenues and to employ cost reduction measures.

Note 1. Summary of Significant Accounting Policies (continued)

U. Statement of Cash Flows

For purposes of the statement of cash flows, the City considers pooled cash and all highly liquid debt instruments purchased with an original maturity of three months or less or that have general characteristics of demand deposits in that additional funds may be deposited or withdrawn at any time without prior notice or penalty to be cash equivalents.

V. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

W. New Accounting Pronouncements

During fiscal year 2016, the City adopted the following Governmental Accounting Standard Board (GASB) Statements:

GASB Statement No. 72, Fair Value Measurement and Application, was implemented by the City as required by GASB during fiscal year ending September 30, 2016. The objective of this statement is to address accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this statement did not result in any changes to the City's financial statements; however, changes were made to the note disclosures in Note 3, Cash, Deposits and Investments. The City's pension plans were not required to implement GASB Statement No. 72, since their fiscal year ended was December 31, 2015; therefore, the requirements for GASB Statement No. 72 will be included in Note 3 during the City's fiscal year 2017.

GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," was implemented as required by GASB during the fiscal year ending September 30, 2016. The Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 79, "Certain External Investment Pools and Pool Participants," was implemented by the City as required by GASB during fiscal year ending September 30, 2016. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investments pools and their participants include information about any limitations or restrictions on participant withdrawals. The implementation of this statement did not result in any changes to the City's financial statements; however, changes were made to the note disclosures in Note 3, Cash, Deposits, and Investments.

The GASB has issued the following statements which will be effective in future years as described below:

GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68," will be implemented as required by GASB during the fiscal year ending September 30, 2017. This statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contributions pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement No. 68 for pension plans and pensions that are within their respective scopes. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

Note 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans," will be implemented as required by GASB during the fiscal year ending September 30, 2017. The Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," will be implemented as required by GASB during the fiscal year ending September 30, 2018. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB, Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 77, "Tax Abatement Disclosures," will be implemented as required by GASB during the fiscal year ending September 30, 2017. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatements recipients;
- The gross dollar amount of taxes abated during the period; and
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans," will be implemented as required by GASB during the fiscal year ending September 30, 2017. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The implementation of this statement is not expected to result in any changes to the financial statements.

GASB Statement No. 80, "Blending Requirements for Certain Component Unit – An Amendment of GASB Statement No. 14," will be implemented by the City as required by GASB during fiscal year ending September 30, 2017. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No 39, "Determining Whether Certain Organization are Component Units." The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 81, "Irrevocable Split-Interest Agreements," will be implemented by the City as required by GASB during fiscal year ending September 30, 2018. The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

Note 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 82, "Pension Issues," will be implemented as required by GASB during the fiscal year ending September 30, 2017. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 83, "Certain Asset Retirement Obligations," will be implemented as required by GASB during the fiscal year ending September 30, 2019. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 84, "Fiduciary Activities," will be implemented as required by GASB during the fiscal year ending September 30, 2020. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 85, "Omnibus 2017," will be implemented as required by GASB during the fiscal year ending September 30, 2018. This Statement addresses several different accounting and financial reporting issues identified by GASB during the implementation and application of certain GASB pronouncements. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 86, "Certain Debt Extinguishment Issues," will be implemented as required by GASB during the fiscal year ending September 30, 2018. This Statement improves consistency in accounting and financial reporting for in-substance defeasance of debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished, and notes to the financial statements for debt that is defeased in-substance. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

Note 2. Stewardship, Compliance, and Accountability

A. Legal Compliance – Budgets

The City Council adheres to the following procedures in establishing the budgets reflected in the accompanying combined financial statements.

1) By the fifteenth day of August each year, the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2) Public hearings are conducted to obtain taxpayers' comments.
3) Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.
4) The City Manager is authorized to transfer budgeted amounts between accounts within any department; however, any revisions that alter the total expenditures of any department must be approved by the City Council. The legal level of budgetary control is the department level.
5) Formal budgetary integration is employed as a management control device during the year for the general fund and debt service fund. Formal budgetary integration is employed as a management control device in the capital project funds for the life of the projects.
6) Annual budgets are legally adopted for the general fund, debt service fund, and proprietary funds. Certain differences exist between the basis of accounting used for budgetary purposes and that used for financial reporting in accordance with GAAP. Budgets for the capital project funds are normally established pursuant to the terms of the related bond ordinances on a project basis.

Note 1. Summary of Significant Accounting Policies (continued)

B. Budgets and Budgetary Basis of Accounting

The City prepares its annual appropriated general fund, debt service fund, and proprietary operating funds' budgets on the budget basis which differs from the GAAP basis. The budget and all transactions of the general fund are presented in accordance with the City's budget basis in the general fund statement of revenues, expenditures, and changes in fund balances – non-GAAP budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP basis are attributable to the elimination of certain revenues and expenditures budgeted on a non-annual basis and the fact that encumbrances are recorded as the equivalent of expenditures (budget) rather than fund balance (GAAP) in the governmental funds. Adjustments necessary to convert the excess of revenues and other financing sources over expenditures and other uses on the budget basis to a GAAP basis for the general fund are provided below:

Excess of revenues and other financing sources over expenditures and other uses--budgetary basis	$	20,389
Change in fair value of investments		(108)
Change in encumbrances		(7,745)
Funds not included in general fund budget		(48)
Revenue recognized for GAAP basis but not budgetary basis		179
Other items budgeted on a non-GAAP basis		(7,806)
Excess of revenues and other financing sources over expenditures and other uses--GAAP basis	$	4,861

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to assign that portion of the applicable appropriation, is utilized as an extension of formal budgetary integration in the governmental funds. For budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. For the general fund, outstanding encumbrances are reported as assigned fund balances. For other governmental funds, encumbrances are reported as either restricted or committed. These balances do not constitute expenditures or liabilities for GAAP purposes since the goods and services have not been received.

Encumbrances outstanding at year-end are carried forward to the new fiscal year. Such encumbrances constitute the equivalent of expenditures for budgetary purposes and, accordingly, the accompanying financial statements present comparisons of actual results to budget of governmental funds on the budget basis of accounting.

C. Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the General Fund and includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Note 2. Stewardship, Compliance, and Accountability (continued)

The City Council is the City's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance up to $50 to $70 thousand per transaction, depending on the type of goods or services by administrative action, pursuant to Section 2-30 of the City Code. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain an unassigned General Fund balance, which includes the Emergency and Contingency Reserves, at a level not less than 30 days of the General Fund operating expenditures, less debt service.

The table on the following page presents additional detail of fund balances as of September 30, 2016.

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Note 2. Stewardship, Compliance, and Accountability (continued)

	General	Debt Service	Non-major Govermental Funds	Total
Fund balances				
Nonspendable				
Inventory	$ 10,659	$ -	$ -	$ 10,659
Prepaid items	-	-	4,086	4,086
Long-term note receivable	-	-	4,161	4,161
Permanent fund principal	-	-	9,237	9,237
Total nonspendable	10,659	-	17,484	28,143
Restricted for				
9 -1 -1	9,593	-	-	9,593
Debt service	-	11,088	-	11,088
Culture and recreation:				
Culture and recreation services	-	-	58,879	58,879
Library facilities	-	-	5,217	5,217
Parks and recreation facilities	-	-	34,335	34,335
Culture and arts facilities	-	-	5,174	5,174
Public safety:				
Police services	-	-	9,913	9,913
Homeland security	-	-	663	663
Fire station facilities	-	-	416	416
Police headquarters and safety facilities	-	-	11,244	11,244
Community development	-	-	9,681	9,681
Health and human services	-	-	795	795
Public-private partnerships	-	-	28,567	28,567
Municipal court technology	-	-	3,832	3,832
Public television cable system	-	-	9,378	9,378
Grants and other purposes	-	-	8,424	8,424
Storm water operations	-	-	42,800	42,800
Streets and transportation:				
Repairs	-	-	10,906	10,906
Improvements	-	-	205,825	205,825
Flood protection	-	-	154,480	154,480
Trinity River project	-	-	73,723	73,723
Capital reserve and assessments	-	-	4,688	4,688
Neighborhood projects:				
Tax increment financing	-	-	32,405	32,405
Economic development incentives	-	-	28,793	28,793
City-wide capital improvements	-	-	6,600	6,600
Farmers' Market improvements	-	-	2,248	2,248
City animal shelter facilities	-	-	318	318
Municipal court facilities	-	-	706	706
Homeless facilities	-	-	86	86
Total restricted	9,593	11,088	750,096	770,777
Committed to				
Risk reserve	1,250	-	-	1,250
Culture and recreation services	-	-	13,781	13,781
Streets and transportation maintenance	-	-	-	-
Total committed	1,250	-	13,781	15,031
Assigned to				
Code enforcement services	3,095	-	-	3,095
Communication and information technology services	130	-	-	130
Community development services	1,063	-	-	1,063
Cultural affairs services	146	-	-	146
Fire safety services	775	-	-	775
Library services	357	-	-	357
Municipal court services	151	-	-	151
Parks and recreation services	628	-	-	628
Police safety services	1,952	-	-	1,952
Public works services	633	-	-	633
Streets and transportation maintenance	4,003	-	-	4,003
General government services	2,903	-	-	2,903
Total assigned	15,836	-	-	15,836
Unassigned	153,693	-	-	153,693
Total fund balance	$ 191,031	$ 11,088	$ 781,361	$ 983,480

Note 3. Cash, Deposits, and Investments

The City maintains a cash and investment pool available for use by all City funds. Each fund's portion of this pool is displayed on the balance sheet/statement of net position as "Pooled cash and cash equivalents." The City treats pooled investments and short-term non-pooled investments as cash equivalents. Long-term non-pooled investments are reported as "Other investments, at fair-value" in the appropriate funds. In addition, several City funds have investments, which are separately held. A fund may overdraw its account in the pool, with the overdrafts reported as liabilities (due to other funds) on the balance sheet.

In 1987, the City Council adopted the City's Investment Policy which was in compliance with federal and state law and the City Charter. Subsequent amendments were made by the City Council to incorporate changes to the Public Funds Investment Act (Chapter 2256, Texas Government Code) and to improve management of the City's investments. The Public Funds Investment Act requires that investments shall be made in accordance with written policies approved at least annually by the governing body. Investment policies must address safety of principal, liquidity and yield, with primary emphasis on safety of principal. In accordance with this Policy, the City may invest in direct or guaranteed obligations of the U.S. Treasury, certain U.S. agencies and instrumentalities, and direct obligations of states and local governments with a credit rating no less than Aa3 or its equivalent; fully collateralized certificates of deposit and repurchase agreements; no-load money market mutual funds and local government investment pools with credit ratings no less than Aaa or its equivalent. The City's Investment Pool is an aggregation of the majority of City Funds which includes tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, grants, gifts, and endowments. This portfolio is maintained to meet anticipated daily cash needs for City of Dallas operations, capital projects, and debt service. The City is precluded from investing in bankers' acceptances, commercial paper, and collateralized mortgage obligations, all of which are authorized by State law.

The Employees' Retirement Fund and the Dallas Police and Fire Pension Systems, component units of the City, are included under Pension Trust in the following table. Police and Fire Pension Plans include Dallas Police and Fire Pension Combined Plan (Combined Plan) and Supplemental Police and Fire Pension Plan (Supplemental Plan). A summary of pooled cash and other investments for all City funds, including blended and discretely presented component units and $3.2 million held in agency funds is presented below. Balances are presented as of September 30, 2016 or December 31, 2015, depending on the fiscal year of the entity.

	Cash and Pooled Investments with City Treasury	Other Cash and Investments Held in Trusts - Permanent Funds	Other Cash and Investments Held in Pension Trust	Total
Cash and cash equivalents	$ 779,150	$ -	$ 163,009	$ 942,159
Other investments	3,779	9,237	5,938,546	5,951,562
Restricted cash and investments	1,130,213	-	-	1,130,213
Total	$ 1,913,142	$ 9,237	$ 6,101,555	$ 8,023,934

A summary of the carrying amount of cash on hand, deposits, and investments at September 30, 2016, is as follows:

	Cash and Pooled Investments with City Treasury	Other Cash and Investments Held in Trusts - Permanent Funds	Other Cash and Investments Held in Pension Trust	Total
Deposits	$ 153,311	$ -	$ 163,009	$ 316,320
Investments	1,759,831	9,237	5,938,546	7,707,614
Total	$ 1,913,142	$ 9,237	$ 6,101,555	$ 8,023,934

Note 3. Cash, Deposits, and Investments (continued)

City of Dallas categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2016:

		Fair Value Measurements Using	
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Federal Agricultural Mortgage Corporation Notes	$ 233,987	$ -	$ 233,987
Federal Farm Credit Bank Notes	285,467	-	285,467
Federal Home Loan Bank Notes	215,387	-	215,387
Federal Home Loan Mortgage Corporation Notes	410,963	-	410,963
Federal National Mortgage Association Notes	228,986	-	228,986
Exchange-Traded Funds - Equities	5,913	5,913	-
Exchange-Traded Funds - Fixed Income	1,540	1,540	-
Exchange Traded Funds - Real Estate	491	491	-
Index Tracking Funds - Tangible Assets	236	236	-
Total Investments by Fair Value Level	1,382,970	$ 8,180	$ 1,374,790
Investments Measured at Net Asset Value (NAV)			
Money Market Funds	61,806		
Local Government Investment Pools	256,020		
Hedge Funds	783		
Total Investments Measured at Net Asset Value (NAV)	318,609		
Other Investments			
Repurchase Agreements	67,489		
Total Investments	$ 1,769,068		

Note 3. Cash, Deposits, and Investments (continued)

At December 31, 2015, the investments held in the City's Pension Trust Funds are as follows:

Type of Investment	Total
Categorized Investments:	
Employees' Retirement Fund (at quoted market value)	
Domestic Equities	$ 935,950
U.S. and Foreign Government Securities	213,806
Domestic Corporate Fixed Income	664,380
International Equities and Fixed Income	761,473
Dallas Police and Fire Pension System:	
Investment in Group Master Trust - Combined Plan	2,807,473
Investment in Group Master Trust - Supplemental Plan	20,387
Total Categorized	5,403,469
Investments Not Categorized:	
Employees' Retirement Fund	
Private Equities and Venture Capital Funds	148,135
Real Estate	276,948
Commingled Index Funds	109,994
Total Not Categorized	535,077
Total Investment in City's Pension Trust Funds	$ 5,938,546

The City invests in TexSTAR, TexPool, TexPool Prime, and LOGIC, which are Local Government Investment Pools (LGIP) created under the Interlocal Cooperation Act, Texas Government Code Chapter 791, and the Public Funds Investment Act, Texas Government Code Chapter 2256. These two acts provide for the creation of LGIP's and authorize eligible governmental entities to invest their public funds and funds under their control through the investment pools. The LGIP's follow all requirements of the Public Funds Investment Act, including being rated by a nationally recognized rating agency, valuing investments at amortized cost, and seeking to maintain a net asset value of $1.00 per unit.

J.P. Morgan Investment Management Inc. and First Southwest Company (a division of Hilltop Securities) serve as co-administrators for the TexSTAR & LOGIC programs under agreements with each pool's respective board of directors. The TexSTAR governing board is a five-member Board consisting of three representatives of employees, officers or elected officials of participating government entities, and one member designated by each of the co-administrators. In addition, TexSTAR has an Advisory Board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool. The governing body of LOGIC is a five-member board of directors comprised of employees, officers or elected officials of participating government entities, or individuals who do not have a business relationship with LOGIC and are qualified to advise the pool. A maximum of two advisory board members represent the co-administrators of LOGIC.

The Comptroller of Public Accounts for the State of Texas is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool and TexPool Prime. Pursuant to the TexPool Participation Agreement, administrative and investment services to the TexPool Portfolios are provided by Federated Investors, Inc., under an agreement with the State Comptroller, acting on behalf of the Trust Company. In addition, TexPool has an Advisory Board composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios who are qualified to advise the TexPool Portfolios.

At year end, the following deposits and bank balance were covered by federal depository insurance, a letter of credit issued to the City by Federal Home Loan Bank, or by collateral held by the City's third-party agents pledged to the City. The fair value of these deposits approximates their costs.

The collateral pledged to the City is held in the City's name at the Bank of New York Mellon.

Note 3. Cash, Deposits, and Investments (continued)

Primary Government	Carrying Value	Bank Balance
Pooled Demand Deposits	$ 153,311	$ 164,168
Cash and cash equivalents - Pension Trust Funds	163,009	163,009
Total	$ 316,320	$ 327,177

Investment in Group Master Trust

The Dallas Police and Fire Pension System's (the System) investments are held in the Group Master Trust (Group Trust). JP Morgan Chase served as custodian for the year ended December 31, 2015. The book value of the System interests in the Group Trust is based on the unitized interests that it has in the Group Trust. The Combined Plan's interest in the Group Trust was approximately 99.30 percent at December 31, 2015. The Supplemental Plan's interest in the Group Trust was approximately 0.70 percent at December 31, 2015. The allocation of investment income between the Combined Plan and the Supplemental Plan is based on the number of units owned of the Group Trust. Benefits, contributions, and administrative expenses are allocated to each plan directly.

The following summarizes the book value of the System's investments for the Group Trust as of December 31, 2015.

Short-term investments	
Short-term investment funds	$ 29,987
Fixed income securities	
US Treasury bonds	27,822
US government agencies	3,448
Corporate bonds	163,439
Foreign-denominated bonds	62,906
Commingled funds	125,442
Equity securities	
Domestic	274,997
Foreign	164,818
Real assets	
Real estate	651,937
Infrastructure	197,552
Timberland	123,593
Farmland	162,267
Private equity	445,014
Alternative investments	395,026
Forward currency contracts	(389)
Net position in the Group Trust	$ 2,827,859

Deposit and Investment Risk Disclosures

GASB Statement No. 40, "Deposit and Investment Risk Disclosures," requires disclosure information related to common risks inherent in deposit and investment transactions. Investments are subject to certain types of risks, including custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Exposure of deposited funds and investment risk are disclosed in the following sections of this note.

Note 3. Cash, Deposits, and Investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. The City's pension plans do not have policies for custodial credit risk. As of September 30, 2016, $9.7 million was fully collateralized by U.S. Federal Agency securities, $150.0 million was fully collateralized by letter of credit issued to the City by Federal Home Loan Bank, and $250 thousand was insured by the Federal Deposit Insurance Corporation. The collateral pledged to the City is held in the City's name at the Bank of New York Mellon. The FDIC insures demand accounts up to $250 thousand in the aggregate. At September 30, 2016, all deposits were either insured or collateralized.

Fully collateralized and insured deposits held by custodian banks:

Demand Deposits	$ 160.0 million

Safekeeping of investment securities is provided by the City's depository and trust institutions. Securities are held in street name with the bank as nominee. As of September 30, 2016, the City's investments held by the counterparty, and not insured, are as follows:

Security Type	Fair Value
U.S. Agency Securities	$ 1,374,790

The Dallas Police and Fire Pension System security investments that were not subject to custodial credit risk were the investments in fixed income and equity investments. The Employees' Retirement Fund had $3.1 million, or .09 percent of the total Plan investments of $3.2 billion exposed to custodial credit risk as follows:

Uninsured and uncollateralized held by custodian bank outside the United States	$ 3.1 million

Concentration of Credit Risk

Investments that individually represent 5 percent or more of net portfolio assets are stated below. Investments issued or explicitly guaranteed by the U.S. government, and investments in mutual funds and external investment pools, are excluded.

Agency Securities by Issuer	Fair Value	% of Total Portfolio
Federal Agricultural Mortgage Corporation (FAMC)	$ 233,987	17.02%
Federal National Mortgage Association (FNMA)	228,986	16.66%
Federal Home Loan Mortgage Corporation (FHLMC)	410,963	29.89%
Federal Home Loan Bank (FHLB)	215,387	15.67%
Federal Farm Credit Bank (FFCB)	285,467	20.76%
Total Agency Securities	$ 1,374,790	100.00%

The Employees' Retirement Fund board has contracted with investment managers to manage the investment portfolio of the Plan, subject to the policies and guidelines established by the board. Northern Trust Company, as the Plan's custodian bank, had responsibility for the safekeeping of certain investments, handling of transactions based on the instructions of investment managers, and accounting for the investment transactions. The Plan had no investments that individually represented 5 percent or more of the net position available for benefits at December 31, 2015. The Plan's concentration of credit risk policy is communicated to individual managers in their guidelines through limitations or restrictions to securities, sectors, debt ratings, and other factors that may be applicable to a particular manager.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market mutual funds and local government investment pools in the City's portfolio are rated AAAm by Standard & Poor's and/or Aaa by Moody's. U.S. Treasury Notes and Bills are obligations of the U.S. government and are not considered to have credit risk and thus are not rated (NR). Long-term bond ratings are used for the U.S. Government Agencies. Ratings for the City's portfolio are listed on the following table.

Note 3. Cash, Deposits, and Investments (continued)

Security Type	Fair Value	% of Total Portfolio	S&P/Moody's Ratings
Money Market Mutual Funds and Pools	$ 317,826	18.78%	AAAm/Aaa
U.S. Agency Securities	1,374,790	81.22%	AA+/Aaa
Total Portfolio	$ 1,692,616	100.00%	
Repurchase Agreements and Investment Portfolios Held by Various Trusts	76,452		
Total Investments	$ 1,769,068		

The Employees' Retirement Fund Investment policy allocates 30 percent of the total assets to fixed income. The policy provides for investments of up to 15 percent of fixed income assets in investment grade assets and up to 15 percent of fixed income assets in below investment grade assets. The investment grade allocation allows the managers to invest up to 20 percent of their portfolio assets in non-US dollar issues. Long term bond ratings for the Employees' Retirement Fund as of December 31, 2015 are shown on the following page.

Quality Rating	Fair Value	% of Bond Portfolio
AAA	$ 101,759	11.59%
AA+	20,000	2.28%
AA	3,562	0.41%
AA-	8,426	0.96%
A+	905	0.10%
A	16,494	1.88%
A-	16,056	1.83%
BBB+	22,560	2.57%
BBB+	34,105	3.88%
BBB-	26,493	3.02%
BB+	48,318	5.50%
BB	60,742	6.91%
BB-	85,963	9.79%
B+	63,304	7.21%
B	76,744	8.74%
B-	55,282	6.30%
CCC+	31,734	3.61%
CCC	7,624	0.87%
CCC-	2,773	0.32%
CC	1	0.00%
C	521	0.06%
DDD	336	0.04%
D	1,074	0.12%
Not Rated	90,484	10.30%
U.S. Government fixed income securities - NR	102,927	11.72%
Total	$ 878,187	100.00%

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Note 3. Cash, Deposits, and Investments (continued)

Credit Risk (continued)

The Dallas Police and Fire Pension System does not have a formal policy limiting investment credit risk, but rather mandates such limits within the Investment Management Services Contract. The System's exposure to investment credit risk in fixed income securities as of December 31, 2015 is as follows:

Quality Rating	Corporate Bonds	U.S. Government Treasury Securities	U.S. Government Agencies	Foreign Government Securities	Grand Total Book Value	Percentage of Holdings
AAA	$ 6,557	$ -	$ 3,448	$ 2,725	$ 12,730	4.94%
AA+	5,333	-	-	12,285	17,618	6.84%
AA	1,630	-	-	135	1,765	0.69%
AA-	3,918	-	-	352	4,270	1.66%
A+	2,407	-	-	4,372	6,779	2.63%
A	4,372	-	-	4,054	8,426	3.27%
A-	3,362	-	-	16,400	19,762	7.67%
BBB+	2,558	-	-	-	2,558	0.99%
BBB	3,236	-	-	7,612	10,848	4.21%
BBB-	4,541	-	-	3,186	7,727	3.00%
BB+	8,576	-	-	149	8,725	3.39%
BB	9,730	-	-	4,583	14,313	5.56%
BB-	14,843	-	-	-	14,843	5.76%
B+	18,698	-	-	-	18,698	7.26%
B	10,094	-	-	-	10,094	3.92%
B-	7,985	-	-	807	8,792	3.41%
Below CCC	48,260	-	-	470	48,730	18.92%
NA	7,339	27,822	-	5,776	40,937	15.88%
Subtotal	$ 163,439	$ 27,822	$ 3,448	$ 62,906	$ 257,615	100.00%
Total credit risk debt securities					$ 257,615	9.11%
Other investments					2,570,244	90.89%
Total investments					$ 2,827,859	100.00%

Interest Rate Risk

In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years. The weighted average maturities of the City's investments at September 30, 2016 are as follows:

Security Type	Fair Value	Weighted Average Maturity (days)
Money Market Mutual Funds and Pools	$ 317,826	1
U.S. Agency Securities	1,374,790	531
Total Portfolio	1,692,616	432
Repurchase Agreeements and Investment Portfolios Held by Various Trusts	76,452	
Total Investments	$ 1,769,068	

Note 3. Cash, Deposits, and Investments (continued)

In the Employees' Retirement Fund, Government Mortgage Backed Securities are most sensitive to changes in interest rates as their payments can vary significantly with interest rate changes. This change in prepayments will generally cause the duration, or interest rate risk, of these securities to increase when interest rates rise and decrease when interest rates fall. These securities represent 12 percent of the total fixed income portfolio with a fair market value of $107,705 at December 31, 2015. The Employees' Retirement Fund does not have a separate policy for interest rate risk.

As of December 31, 2015, the Employees' Retirement Fund weighted-average maturities of the fixed income securities are as follows:

Fixed Income Securities	Fair Value	Weighted Average Maturity (Years)
Asset Backed	$ 23,289	7.81
Bank Loans	12,433	4.68
Commercial Mortgage-Backed	29,514	28.35
Corporate Bonds	571,030	7.50
Government Agencies	18,216	8.40
Government Bonds	82,722	12.70
Government Mortgage-Backed Securities	107,705	20.17
Government Issued Commercial Mortgage-Backed Securities	1,216	3.12
Index Lined Government Bonds	2,542	21.78
Municipal/Provincial Bonds	19,004	16.39
Non-Government Backed C.M.O.s	10,516	18.90
Total	$ 878,187	
Portfolio weighted average maturity in years:		10.51

As of December 31, 2015, the Dallas Police and Fire Pension Plans had the following investments and maturities:

		Investment Maturity in Years			
Investment Type	Book Value	Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Fixed maturity domestic:					
U.S. Treasury Securities	$ 27,822	$ -	$ 12,455	$ 433	$ 14,934
U.S. Gov't Agency Securities	3,448	-	-	-	3,448
Corporate Bonds	163,439	3,110	62,317	56,841	41,171
Foreign-denominated Bonds	62,906	2,883	13,537	22,756	23,730
Total	$ 257,615	$ 5,993	$ 88,309	$ 80,030	$ 83,283

While the Plans do not have a specific investment policy to limit investment maturities as a means of managing their exposure to interest rate risk, the Plans do manage this exposure by mandating maturity limits within the Investment Management Service Contracts.

Note 3. Cash, Deposits, and Investments (continued)

Foreign Currency Risk

The Employees' Retirement Fund investment policies limit the aggregate amount that can be invested in each class of investments. The equity investment policy sets an allocation of 15 percent of assets to international equity, 5 percent of the assets to global equity, and 10 percent to global low volatility equity. The fixed income policy permits up to 12.5 percent of the global manager's portfolio to be invested in global investment grade fixed income bonds. The Fund's positions in these equity securities, invested directly and through commingled funds, was 24.48 percent of invested assets at December 31, 2015. The Fund's positions in such fixed income assets invested directly were 4.80 percent of invested assets at December 31, 2015. Employees' Retirement fund non-US Dollar denominated investments at December 31, 2015 were as follows:

Currency	Investment Type	Balance of Investment (U.S. Dollars)
Australian Dollars	Equity	$ 14,219
Australian Dollars	Fixed Income	5,760
Brazilian Real	Equity	4,309
British Pound Sterling	Equity	39,611
Canadian Dollars	Equity	22,171
Canadian Dollars	Fixed Income	805
Czech Republic Koruna	Equity	235
Danish Krone	Equity	4,721
Euro	Equity	78,856
Hong Kong Dollars	Equity	27,256
Hungarian Forint	Equity	494
Indonesian Rupiahs	Equity	2,823
Israeli Shekel	Equity	2,932
Japanese Yen	Equity	65,346
Malaysian Ringgit	Equity	4,755
Mexican New Peso	Equity	4,019
Mexican New Peso	Fixed Income	2,703
New Zealand Dollar	Equity	4,381
Norwegian Krone	Equity	8,982
Phillipino Peso	Equity	835
Polish Zlotych	Equity	2,019
Singaporean Dollars	Equity	2,050
South African Rand	Equity	5,969
South Korean Won	Equity	20,721
Swedish Krona	Equity	10,202
Swiss Francs	Equity	21,278
Thai Baht	Equity	7,114
Turkish Lira	Equity	2,040
Total non-US denominated instruments		$ 366,606

Note 3. Cash, Deposits, and Investments (continued)

Police and Fire Pension Plans do not have specific policy guidelines other than the constraints included in the individual investment manager contracts. Police and Fire Pension Plans non-US Dollar denominated investments at December 31, 2015 were as follows:

Currency	Investment Type	Balance of Investment (U.S. Dollars)
Austrailan Dollar	Government Bonds	$ 4,943
Brazilian Real	Government Bonds	3,602
British Pound Sterling	Government Bonds	3,631
Canadian Dollars	Government Bonds	923
Euro	Government Bonds	9,007
Hungarian Forint	Government Bonds	1,129
Indonesian Rupiahs	Government Bonds	3,186
Japanese Yen	Government Bonds	4,916
Malaysian Ringgit	Government Bonds	3,132
Mexican New Peso	Government Bonds	15,947
New Zealand Dollar	Government Bonds	6,191
Polish New Zlotych	Government Bonds	4,054
Singapoream Dollar	Government Bonds	788
South African Rand	Government Bonds	1,457
Total International Bonds		$ 62,906

Securities Lending Transactions

The respective boards of the Employees' Retirement Fund and Dallas Police and the Dallas Fire Pension System have authorized the Plans to enter into agreements for the lending of certain of the Plans' securities (the "Securities Lending Program" or Program) including, but not limited to, stocks and bonds to counter party brokers and banks ("borrowers"), for a predetermined period of time and fee. Such transactions are not prohibited by State statute.

During the fiscal year ended December 31, 2015, Northern Trust ("Northern") lent, on behalf of the Employees' Retirement Fund, securities held by Northern, as a custodian, and received United States dollar cash, United States government agency securities, agency securities, and irrevocable bank letters of credit as collateral. Northern did not have the ability to pledge or sell collateral securities absent a borrower default. Northern Trust's Core USA Collateral Section establishes requirements for participation, collateralization levels, cash and non-cash collateral guidelines, and investment guidelines for the collateral received from borrowers. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities, the collateral for which is all denominated in the same currency as the loaned securities, 102 percent of the fair value of the loaned securities plus any accrued but unpaid distributions thereon, and (ii) in the case of loaned securities, the collateral for which is denominated in a different currency from the loaned securities, 105 percent of the fair value of the loaned securities plus any accrued but unpaid distributions thereon. Additionally, the guidelines set maturity/liquidity requirements for the collateral received from borrowers. At year-end, the Plan had no credit risk exposure to borrowers because the amounts of collateral held by the Plan exceed the amounts the borrowers owe the Plan. The collateral held for the Plan as of December 31, 2015 was $301.1 million.

Note 3. Cash, Deposits, and Investments (continued)

During the fiscal year ended December 31, 2015, JP Morgan Chase ("JP Morgan") lent, on behalf of the Dallas Police and Fire Pension System, securities held by JP Morgan as a custodian, and received United States dollar cash and United States Government securities as collateral. JP Morgan did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was in the United States or sovereign debt issued by foreign governments, 102 percent of the fair value of the loaned securities, and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not in the United States dollars, 105 percent of the fair value of the loaned securities. At year-end, the System has no credit risk exposure to borrowers because the amounts of collateral held by the System exceed the amounts the borrowers owe the System. The collateral held for the System as of December 31, 2015 was $106.6 million.

The Boards did not impose any restrictions during the fiscal year on the amount of the loans that Northern and JP Morgan made on their behalf. There were no failures by any borrowers to return the loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or Northern and JP Morgan. Northern is contractually obligated to fully indemnify the Plan for a borrower's failure to return the loaned securities.

During the fiscal year, the Boards and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral was invested, together with the collateral of other qualified tax-exempt plan lenders, in collective investment pools maintained by Northern and JP Morgan. The relationship between the average maturities of the investment pools and the Plans' loans were affected by the maturities of the loans made by other plans' entities that invested cash collateral in the collective investment pools, which the Boards could not determine.

Note 4. Receivables

Receivables at September 30, 2016 for the government's individual major and nonmajor governmental and internal service funds, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Nonmajor	Internal Service Funds	Total Governmental Activities
Receivables:					
Ad valorem tax	$ 28,041	$ 12,077	$ -	$ -	$ 40,118
Sales tax	49,156	-	-	-	49,156
Notes	126	-	65,405	-	65,531
Special Assessments - paving notes	-	-	5,640	-	5,640
Accounts	100,285	-	22,258	96	122,639
Accrued interest	217	14	1,207	55	1,493
Due from other governments	113	-	33,062	-	33,175
Gross receivables	177,938	12,091	127,572	151	317,752
Less allowance for doubtful accounts	(63,920)	(10,375)	(42,123)	-	(116,418)
Net total receivables	$ 114,018	$ 1,716	$ 85,449	$ 151	$ 201,334

Note 4. Receivables (continued)

Receivables at September 30, 2016 for the primary government's individual major and nonmajor enterprise funds in the aggregate including the applicable allowances for uncollectible accounts, consist of the following:

	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise	Total Business-type Activities
Receivables:						
Accounts	$ 73,633	$ 3,211	$ 7,264	$ 14,551	$ 475	$ 99,134
Taxes	-	8,257	-	-	-	8,257
Accrued interest	637	142	169	34	72	1,054
Due from other governments	-	-	666	-	-	666
Gross receivables	74,270	11,610	8,099	14,585	547	109,111
Less allowance for uncollectible accounts	(8,244)	(547)	(7)	(4,752)	(14)	(13,564)
Net total receivables	$ 66,026	$ 11,063	$ 8,092	$ 9,833	$ 533	$ 95,547

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Intergovernmental revenues and related receivables arise through funding received from federal and state grants. These revenues and receivables are earned through expenditures of monies for grant purposes. At September 30, 2016, the various components of deferred inflows of resources – unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Total Governmental Unearned	Deferred Inflows of Resources Unavailable Revenue
Taxes	$ -	$ 4,125
Accounts	9,038	38,339
Intergovernmental	46,547	39,455
Total	$ 55,585	$ 81,919

Note 5. Restricted Assets

The primary government's governmental and business-type restricted assets of $687 million and $600 million, respectively, are composed of the following at September 30, 2016:

	Governmental Activities	Business-Type Activities
Cash and Investments:		
Pooled Cash and Cash Equivalents	$ 686,696	$ 312,862
Other Investments	-	130,655
Future pipeline reserve capacity rights	-	155,720
Customer Assessments	-	652
Total	$ 686,696	$ 599,889

The restricted amounts are for accumulated resources for debt service payments, deposits from service users, unspent bond and other proceeds for construction, retention guarantees from contractors, and future pipeline reserve capacity rights (see Note 10.S for additional information).

Note 6. Joint Ventures

Dallas/Fort Worth International Airport (DFW Airport)

DFW Airport is owned jointly by the cities of Dallas and Fort Worth and operated by a 12-member board comprised of seven members from Dallas and four members from Fort Worth appointed by the respective City Councils. One additional non-voting member is appointed from the neighboring cities of Irving, Grapevine, Euless, and Coppell on a rotating basis.

Joint Revenue Bonds were previously issued to construct DFW Airport. Additional bonds have been issued for the purpose of improving, constructing, replacing, or otherwise extending DFW. Revenues derived from the ownership and operations of the Airport are pledged to meet debt service requirements of the bonds issued pursuant to the Controlling Ordinances. The Controlling Ordinances require DFW to annually adopt a schedule of charges that is: (1) reasonably estimated to produce gross revenues in an amount at least sufficient to pay operation and maintenance expense plus 1.25 times accrued aggregate debt service and (2) reasonably estimated to at least produce current gross revenues in an amount at least sufficient to pay operation and maintenance expense plus 1.00 times accrued aggregate debt service.

The outstanding debt and related debt service are accounted for by the DFW Airport Board. The Joint Revenue Bonds outstanding at September 30, 2016 were $6.7 billion which is net of unamortized discount/premium.

The summary financial information for DFW Airport as of September 30, 2016 is presented below and is not included in the City's financial statements.

Total assets and deferred outflows of resources	$	7,575,098
Less: Total liabilities and deferred inflows of resources		(7,288,410)
Total net position	$	286,688
Operating revenues	$	745,562
Non-operating revenues (expenses)		(89,319)
Less: Operating expenses		(750,198)
Plus: Capital contributions		5,222
Change in net position		(88,733)
Net position, beginning of year		375,421
Net position, end of year	$	286,688

The Board has entered into agreements with air carriers and other parties utilizing DFW Airport to provide for adjustments to rentals, fees and other charges which management believes precludes the need for a maintenance tax. To date, the cities have levied no maintenance tax. To obtain the financial statements of the joint venture, contact the finance department of DFW Airport at (972) 973-5443.

Note 7. Accrued Landfill Liability

The City owns and operates the McCommas Bluff landfill located in the southern portion of the City. The developed 379 acres of the landfill has an estimated remaining useful life of 1 year. The undeveloped 431 acres of the landfill has an estimated useful life of 50 years. Closure and post-closure care of this landfill is subject to the requirements of Subtitle D of the Resource Conservation and Recovery Act (P.L. 94-580) and Sections 330.250-256 of Title 30 of the Texas Administrative Code administered by the Texas Commission on Environmental Quality (TCEQ). These regulations require the City to place a final cover on each cell of the landfill when it ceases to accept waste, and perform certain maintenance and monitoring functions for thirty years after the closure of each cell.

Because final contours have not been achieved, the City has not yet initiated closure of any of this landfill or incurred closure expenses. Therefore, the estimated $30.7 million liability for closure/post-closure care is based on 93.3 percent of the capacity of the developed landfill subject to TCEQ regulations--none of which is expected to be paid from current available resources.

Note 7. Accrued Landfill Liability (continued)

The City also owns and operates three transfer stations. The estimated post closure cost is $231 thousand for the transfer stations at September 30, 2016.

The estimated total liability of $32.9 million is based on current dollar average cost per acre calculations for this specific landfill as originally provided by consulting firms and has been revised annually by the City to accommodate inflation, deflation, technology, and developmental or regulation changes. In accordance with the provisions of Codification of Governmental Accounting and Financial Reporting Standards, Section L10, "Landfill Closure and Post closure Care Costs," the City has recorded a closure and post-closure liability of $30.9 million as a long-term liability. Closure and post-closure care are funded through current general fund revenues generated by landfill operations. Effective April 9, 1997, Sections 330.280-284 of Title 30 of the Texas Administrative Code (TAC) require landfill owners to demonstrate financial assurance on an annual basis that they will have sufficient financial resources to satisfy closure and post-closure care expenditures at such time as these become payable.

The City also owns the Deepwood & Loop 12 landfill located at South Miller Road, southwest of Loop 12. This landfill is closed. The estimated total liability for post closure care costs for the entire 47 acres of the closed landfill (132 acres of the Landfill Property) is estimated to be $5 million during the next 20 years, of which $251 thousand is due within one year.

The total closure and post-closure liability for both landfills and the three transfer stations at September 30, 2016 is $35.9 million.

Note 8. Interfund Receivables, Payables, and Transfers

Due to Other Funds/From Other Funds

A portion of the interfund payable due from nonmajor governmental funds to the general fund was a result of a bank overdraft from other fund's share of pooled cash.

Amounts due from and due to other funds at September 30, 2016 were as follows:

		Due to Other Funds		
Due From Other Funds	Amount	General	Sanitation	Nonmajor Governmental
General	$ 3,959	$ -	$ -	$ 3,959
Dallas Water Utilities	268	268	-	-
Nonmajor Governmental	7,635	-	7,379	256
Debt Service	466	-	466	-
Total	$ 12,328	$ 268	$ 7,845	$ 4,215

Interfund Notes Receivable and Payable

Interfund notes receivable and payable balances at September 30, 2016 were as follows:

	Note Payable
Note receivable	Nonmajor Governmental
Nonmajor governmental	$ 4,161
Dallas Water Utilities	6,251
Total	$ 10,412

These balances relate to long-term borrowings to finance various capital acquisitions and equipment purchases.

Note 8. Interfund Receivables, Payables, and Transfers (continued)

Transfers In/Out

Transfers made between funds during the fiscal year are listed below:

		Transfers Out							
Transfers In	Amount Transferred	General	Nonmajor Governmental	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds	Internal Service
General	$ 15,593	$ -	$ -	$ 12,093	$ -	$ -	$ 3,500	$ -	$ -
Debt Service	6,233	6	1,849	169	1,461	236	-	168	2,344
Nonmajor Governmental	32,639	9,420	7,251	10,501	4,817	-	650	-	-
Dallas Water Utilities	739	-	739	-	-	-	-	-	-
Total	$ 55,204	$ 9,426	$ 9,839	$ 22,763	$ 6,278	$ 236	$ 4,150	$ 168	$ 2,344

These transfers were primarily for support of operation and maintenance, construction projects, asset purchases, and to service the debt associated with the respective funds. Transfers were also made from Dallas Water Utilities fund for payments-in-lieu-of-taxes (PILOT), which are recorded as transfers rather than operation and maintenance expenses due to the nonreciprocal nature of the transactions. Under the terms of the bond ordinance, PILOT and other similar payments are not considered operation and maintenance of the Water Utilities Fund; therefore, they are not included in the debt coverage calculation. Transfers were made from the internal service and nonmajor governmental funds to the general fund for payments related to lease agreements.

Note 9. Accounts Payable and Accrued Expenses

The primary government's accounts payable and accrued expenses at September 30, 2016 are as follows:

	General	Nonmajor Governmental	Internal Service	Total Governmental Activities
Accrued payroll	$ 20,250	$ 512	$ 419	$ 21,181
Accounts payable	31,811	8,194	11,414	51,419
Due to other governments	2,405	2,126	-	4,531
Contracts payable	-	12,165	-	12,165
Other liabilities	5,205	1,910	1,395	8,510
Construction accounts payable	-	37,668	-	37,668
Total	$ 59,671	$ 62,575	$ 13,228	$ 135,474

	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor	Total Business-type Activities
Accrued payroll	$ 1,101	$ 85	$ 156	$ 375	$ 225	$ 1,942
Accounts payable	18,729	7,365	8,873	4,935	361	40,263
Due to other governments	-	9	-	466	-	475
Other liabilities	-	-	-	-	1,175	1,175
Construction accounts payable	59,135	455	12,563	704	-	72,857
Total	$ 78,965	$ 7,914	$ 21,592	$ 6,480	$ 1,761	$ 116,712

Note 10. Long-Term Debt

A. Governmental Activities

The changes in the governmental activities long-term liabilities for the year ended September 30, 2016 are as follows:

General Obligation Bonds	Beginning Balance (Restated)	Additions	Deletions	Ending Balance	Due Within One Year
Series 2007	$ 13,080	$ -	$ 6,540	$ 6,540	$ 6,540
Refunding Series 2007A	67,385	-	18,355	49,030	18,355
Series 2008	33,135	-	11,045	22,090	11,045
Refunding Series 2010A	160,675	-	8,535	152,140	17,335
Building America Bonds Series 2010B	85,380	-	-	85,380	-
Refunding Bonds Series 2010C	95,680	-	17,210	78,470	9,589
Refunding Bonds Series 2012	200,330	-	15,255	185,075	14,320
Refunding Bonds Series 2013A	173,990	-	10,235	163,755	10,235
Refunding Bonds Series 2013B	42,315	-	1,120	41,195	15,385
Refunding Bonds Series 2014	524,745		18,980	505,765	15,950
Refunding Bonds Series 2015	-	195,075	-	195,075	10,840
Tax and Revenue Certificates					
Series 2007	1,220	-	610	610	610
Series 2008A	1,800	-	600	1,200	600
Series 2010	860	-	215	645	215
Series 2012	16,210	-	2,035	14,175	2,095
Pension Obligation Bonds					
Taxable Series 2005A	81,480	-	-	81,480	686
Series 2005B	54,100	-	5,520	48,580	4,946
Taxable Refunding Bonds Series 2010	52,198	-	-	52,198	-
Total Bonds, Obligations, and Certificates	1,604,583	195,075	116,255	1,683,403	138,746
Add: Unamortized Premium/Discount	234,640	31,556	29,064	237,132	-
Add: Accretion	98,428	14,620	10,623	102,425	-
Total Bonds, Obligations, and Certificates	1,937,651	241,251	155,942	2,022,960	138,746
Other Liabilities:					
Commercial paper notes payable	27,880	10,220	27,880	10,220	-
Compensated absences	120,134	53,779	55,825	118,088	54,863
Other postemployment benefits	194,759	21,238	12,754	203,243	-
Pollution remediation	3,860	1,411	948	4,323	683
Developer payable	68,551	37,996	13,083	93,464	9,809
Estimated unpaid claims	61,058	90,477	88,488	63,047	21,171
Notes payable	44,208	3,540	4,855	42,893	3,362
Net pension liability	5,396,235	3,581,522	658,081	8,319,676	-
Sales tax refund liability	9,557	-	1,398	8,159	1,454
Capital leases	52,488	24,355	17,726	59,117	16,082
Total other liabilities	5,978,730	3,824,538	881,038	8,922,230	107,424
Total governmental long-term debt	$ 7,916,381	$ 4,065,789	$ 1,036,980	$ 10,945,190	$ 246,170

Note 10. Long-Term Debt (continued)

The liability for commercial paper notes will be fully liquidated by the Debt Service Fund. The liabilities for the compensated absences, net pension liability, and other postemployment benefits will be liquidated by General Fund, Community Development Fund, Health and Human Services Fund, Library Fund, Police Fund, Recreation Fund, Management Improvement Fund, Storm Water Operations Fund, Municipal Fund, General Citizen Fund, Equipment Services Fund, Communication Equipment Services Fund, Office Services Fund, Information Systems Fund, and the Risk Fund. The liability for pollution remediation will be fully liquidated by the General Fund. The liability for the developer payable will be liquidated by the Neighborhood Projects Fund. The entire estimated unpaid claims liability is reported in the Risk Fund and will be liquidated by that fund. The liabilities for the notes payable, sales tax refund, and capital leases will be liquidated by the General Fund.

B. Governmental General Obligation Bonds (GO Bonds)

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City.

In November 2015, the City issued general obligation refunding and improvement bonds, Series 2015, of $195.1 million with a stated interest rate range of 5.0 percent and a final maturity of February 15, 2034. $2.9 million of the bonds were issued to refund outstanding commercial paper. The remaining $223.7 will be used to finance certain public improvements, and pay the cost of issuance of the bonds.

The General Obligation Bonds outstanding as of September 30, 2016 are as follows:

	Final	Interest Rates	Amount
Series 614	2027	5.0% to 5.25%	$ 6,540
Series 615	2027	4.0% to 5.0%	49,030
Series 620	2028	4.0% to 5.25%	22,090
Series 627	2020	3.0% to 5.0%	152,140
Series 628	2030	4.39% to 5.61%	85,380
Series 631	2023	3.0% to 5.0%	78,470
Series 637	2026	2.0% to 5.0%	185,075
Series 638	2032	0.76% to 5.0%	204,950
Series 1692	2034	4.0% to 5.0%	505,765
Series 1700	2034	5.00%	195,075
Total			$ 1,484,515

The Certificates of Obligation outstanding as of September 30, 2016 are as follows:

	Final	Interest Rates	Amount
Series 617	2017	3.50% to 4.00%	$ 610
Series 622	2018	3.50% to 5.00%	1,200
Series 629	2019	2.00% to 4.00%	645
Series 635	2022	2.00% to 5.00%	14,175
Total			$ 16,630

The Pension Obligation Bonds outstanding as of September 30, 2016 are as follows:

	Final	Interest Rates	Amount
Series 600	2035	3.24% to 5.19%	$ 81,480
Series 601	2035	4.10% to 5.48%	48,580
Series 632	2024	0.295% to 4.66%	52,198
Total			$ 182,258

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Note 10. Long-Term Debt (continued)

C. Long-Term Notes Payable

In fiscal year 2016 and previous fiscal years, the City issued notes for the purpose of making utility efficiency improvements to various buildings owned by the City and for building improvements. These notes are payable in quarterly installments. In addition, the City recorded four U.S. Department of Housing and Urban Development Section 108 HUD notes. The total outstanding notes payable as of September 30, 2016 are as follows:

	Final Maturity	Payments Due	Interest Rates	Amount
Suntrust	2018	Quarterly	1.89%	$ 1,269
State Energy Conservation Office	N/A	N/A	N/A	7,038
Section 108 B-09-MC-48-0009	2021	Semi-Annually	Variable	7,600
Section 108 B-09-MC-48-0009-A	2032	Quarterly	Variable	7,494
Section 108 B-09-MC-48-0009-B	2022	Quarterly	Variable	8,492
Section 108 B-12-MC-48-0009-B	2027	Semi-Annually	2.75%	11,000
Total				$ 42,893

D. General Obligation Commercial Paper Notes

The commercial paper notes are supported by two credit agreements through two banks. The credit agreement supporting Series A notes is through JP Morgan Chase, and extends through December 2, 2017. The Series A has an aggregate available principal amount not to exceed approximately $214.8 million, which includes $200 million of principal together with approximately $14.8 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate not to exceed 10 percent per annum. The credit agreement supporting Series C notes, through Wells Fargo Bank extends to December 2, 2017. The Series C has an aggregate available principal amount not to exceed approximately $161.1 million, which includes $150 million of principal together with $11.1 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate not to exceed 10 percent per annum. The two commercial paper programs constitute an obligation subordinate to the City's general obligation bonds. Any advances for payments of commercial paper under the line of credit are secured by proceeds of the applicable portion of the tax levy as set forth in the Credit Agreements. During fiscal year 2016, $10.2 million was issued and $27.9 million was repaid. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt.

E. Governmental Debt Service Requirements

The future debt service principal and interest payment requirements for the City's General Obligation, Equipment Acquisition Obligations, Tax Increment Bonds, Pension Obligation Bonds, and Contractual Obligations at September 30, 2016 are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 138,746	$ 87,307	$ 226,053
2018	135,753	81,507	217,260
2019	133,936	76,406	210,342
2020	123,756	71,291	195,047
2021	137,932	51,851	189,783
2022-2026	607,036	209,432	816,468
2027-2031	288,886	194,294	483,180
2032-2036	117,358	137,630	254,988
Total	$ 1,683,403	$ 909,718	$ 2,593,121

Note 10. Long-Term Debt (continued)

The future principal and interest payment requirements for the City's long-term notes payable at September 30, 2016 are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 3,362	$ 686	$ 4,048
2018	3,420	604	4,024
2019	2,807	531	3,338
2020	5,672	470	6,142
2021	7,902	395	8,297
2022-2026	7,743	1,316	9,059
2027-2031	11,085	247	11,332
2032-2036	902	3	905
Total	$ 42,893	$ 4,252	$ 47,145

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Note 10. Long-Term Debt (continued)

F. Business-Type Activities

The changes in the business-type activities long-term liabilities for the year ended September 30, 2016 are as follows:

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance	Due Within One Year
Dallas Water Utilities					
City of Dallas Waterworks and Sewer System					
Series 2006	$ 19,710	$ -	$ 14,130	$ 5,580	$ 5,580
Series 2007	314,080	-	231,245	82,835	43,905
Series 2008	33,290	-	22,450	10,840	3,435
Series 2009A	11,125	-	9,342	1,783	700
Series 2009B	7,385	-	460	6,925	465
Series 2009C	79,403	-	5,120	74,283	5,145
Series 2010	215,015	-	88,750	126,265	6,755
Series 2011	224,495	-	54,050	170,445	11,495
Series 2012	349,040	-	31,720	317,320	15,090
Series 2013	153,975	-	2,655	151,320	2,795
Series 2015	604,260	-	2,850	601,410	3,085
Series 2016	-	540,345	-	540,345	2,530
Total Revenue Bonds Payable	2,011,778	540,345	462,772	2,089,351	100,980
Add: Unamortized Premium	135,023	82,441	27,756	189,708	-
Total Revenue Bonds of Water Utilities	2,146,801	622,786	490,528	2,279,059	100,980
Pension Obligation Bonds	51,443	-	1,512	49,931	1,543
Add: Net premium/discount	22,267	-	670	21,597	-
Add: Accretion	26,961	4,005	2,910	28,056	-
Total Water Utilities Bonds	2,247,472	626,791	495,620	2,378,643	102,523
Other liabilities:					
Commercial paper notes payable	90,458	180,004	222,140	48,322	-
Compensated absences payable	11,361	6,160	6,202	11,319	5,140
Other postemployment benefits	27,503	2,518	1,568	28,453	-
Net pension liability	121,281	373,855	67,137	427,999	-
Water transmission facilities financing agreement	322,223	140,000	6,403	455,820	9,025
Total other liabilities	572,826	702,537	303,450	971,913	14,165
Total long-term liabilities for Dallas Water Utilities	2,820,298	1,329,328	799,070	3,350,556	116,688
Convention Center					
Revenue Bonds					
Civic Center Refunding and Improvement	309,075	-	5,740	303,335	6,945
Add: Net premium/discount	(1,171)	-	498	(1,669)	-
Total Convention Center Revenue Bonds	307,904	-	5,242	301,666	6,945
Pension Obligation Bonds	3,659	-	108	3,551	110
Add: net premium/discount	1,589	-	48	1,541	-
Add: Accretion	1,924	286	208	2,002	-
Total Convention Center Bonds	315,076	286	5,606	308,760	7,055
Other liabilities:					
Compensated absences	678	391	296	773	351
Note payable	1,981	-	1,981	-	-
Pollution remediation	59	-	-	59	59
Other postemployment benefits	1,517	528	107	1,938	-
Net pension liability	7,080	22,365	4,016	25,429	-
Total long-term liabilities for Convention Center	326,391	23,570	12,006	336,959	7,465

Note 10. Long-Term Debt (continued)

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance	Due Within One Year
Airport Revenues					
General Airport Revenue Bonds	$ 109,235	$ -	$ -	$ 109,235	$ -
Add: Net Premium/Discount	13,318	-	1,325	11,993	-
Total Airport Revenue Bonds	122,553	-	1,325	121,228	-
Pension Obligation Bonds	4,820	-	142	4,678	145
Add: Net Premium/Discount	2,087	-	63	2,024	-
Add: Accretion	2,527	375	273	2,629	-
Total Airport Bonds	131,987	375	1,803	130,559	145
Other Liabilities:					
Compensated absences	1,402	834	766	1,470	667
Note payable	527	-	261	266	266
Pollution remediation	418	137	100	455	15
Capital leases payable	30,115	44,831	1,047	73,899	1,034
Obligation for revenue credit agreement	446,095	-	6,990	439,105	7,340
Revenue credit agreement					
Net premium/discount	(4,063)	-	265	(4,328)	-
Other postemployment benefits	3,813	485	225	4,073	-
Net pension liability	14,670	46,563	8,361	52,872	-
Total other liabilities	492,977	92,850	18,015	567,812	9,322
Total long-term liabilities for Airport Revenues	624,964	93,225	19,818	698,371	9,467
Sanitation					
General Obligation Bonds					
2010C GO Refunding	9,640	-	1,735	7,905	966
Add: Net premium/discount	657	-	166	491	-
Total Sanitation General Obligation Bonds	10,297	-	1,901	8,396	966
Pension Obligation Bonds	16,817	-	494	16,323	504
Add: Net premium/discount	7,280	-	220	7,060	-
Add: Accretion	8,815	1,309	951	9,173	-
Total Sanitation Bonds	43,209	1,309	3,566	40,952	1,470
Other liabilities:					
Landfill closure/postclosure	35,750	398	217	35,931	251
Compensated absences	2,918	1,355	1,320	2,953	1,341
Other postemployment benefits	9,199	877	526	9,550	-
Net pension liability	39,764	116,986	21,008	135,742	-
Total other liabilities	87,631	119,616	23,071	184,176	1,592
Total long-term liabilities for Sanitation	130,840	120,925	26,637	225,128	3,062
Non-Major Business-Type					
Pension Obligation Bonds	9,373	-	275	9,098	281
Add: Net premium/discount	4,057	-	122	3,935	-
Add: Accretion	4,910	729	529	5,110	-
Total Non-Major Business-Type Bonds	18,340	729	926	18,143	281
Other liabilities:					
Compensated absences	2,390	1,320	1,336	2,374	1,078
Other postemployment benefits	4,742	474	273	4,943	-
Net pension liability	22,582	75,214	13,507	84,289	-
Total other liabilities	29,714	77,008	15,116	91,606	1,078
Total long-term liabilities for Non-Major Business-type Activities	48,054	77,737	16,042	109,749	1,359
Total Business-Type Activities - Long-Term Liabilities	$ 3,950,547	$ 1,644,785	$ 874,569	$ 4,720,763	$ 138,041

Note 10. Long-Term Debt (continued)

G. Water Works and Sewer System Revenue Bonds and Pension Obligation Bonds

In June 2016, Dallas Water Utilities issued Waterworks and Sewer System Revenue Refunding Bonds Series 2016 of $540.3 million with an interest rate range of 0.60 percent to 5.00 percent and a final maturity of October 1, 2045. The bonds were issued to refund previously issued waterworks and sewer system bonds and to refund outstanding commercial paper used by Dallas Water Utilities to fund capital construction projects. Proceeds of $398.6 million were deposited with an escrow agent to be used to pay the outstanding amount of the refunded bonds. As a result, $357.4 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. The refunding resulted in a difference of $28.8 million between the net carrying amount of the old debt and the reacquisition price. This difference, reported in the accompanying financial statement as a deferred outflow of resources, is being amortized to interest expense over the life of the old bonds. Total debt service payments decreased by $36.2 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of $31.1 million.

The Waterworks and Sewer System debt service fund provides for the payment of principal and interest on the water department outstanding revenue bonds. Operating revenues from water operations and interest earned on the cash balance in the debt service fund are pledged for repayment of the debt. Revenues are transferred from the Water Operating Fund to the debt service fund to meet annual principal and interest obligations. Pension Obligation bonds are paid through increased contributions to the debt service fund. The Water Works and Sewer System bonds outstanding as of September 30, 2016 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
610 Rev Bonds	2017	4.25% - 5.50%	$ 5,580
613 Rev Bonds	2018	4.00% - 5.00%	82,835
619 Rev Bonds	2019	4.00% - 5.00%	10,840
624 Rev Bonds	2019	0.423% - 2.877%	1,783
625 Rev Bonds	2029	1.303% - 2.877%	6,925
626 Rev Bonds	2029	0.148% - 3.018%	74,283
630 Rev Bonds	2040	3.00% - 5.00%	126,265
634 Rev Bonds	2041	3.00% - 5.00%	170,445
636 Rev Bonds	2042	0.595% - 5.00%	317,320
639 Rev Bonds	2043	2.00% - 5.00%	151,320
9712 Rev Bonds	2045	1.00%-5.00%	601,410
1727 Rev Bonds	2046	3.00%-5.00%	540,345
Total Revenue Bonds			2,089,351
Pension Obligation Bonds	2035	0.295% - 5.48%	49,931
Total Outstanding			$ 2,139,282

Utility Revenues Pledged

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay $2.1 billion in water and wastewater system revenue bonds, of which $540.3 million was issued during the current fiscal year and the remaining balance in prior fiscal years. Proceeds from the bonds provided financing for capital assets. The bonds are payable solely from water customer net revenues and are payable through fiscal year 2046. Net revenues, as defined in the bond documents, for each year are expected to be at least equal to 1.25 times the principal and interest requirements of all outstanding previously issued bonds and additional bonds for the year. The total principal and interest remaining to be paid on the bonds at September 30, 2016 is $3.2 billion. Principal and interest paid during fiscal year 2016 were $96.7 million and $86.2 million, respectively.

Note 10. Long-Term Debt (continued)

H. Convention Center (Revenue Bonds, Pension Obligation Bonds, and Note Payable)

The 7 percent Hotel Occupancy Tax, operating revenues of the Convention Center Complex, and interest earned on cash balances in the bond reserve and debt service funds are pledged for repayment of the debt. Pension Obligation Bonds are paid through increased contributions to the Debt Service Fund. Additionally, the City has covenanted to provide the payment of operating and maintenance expenses of the Convention Center Complex, should a shortfall in Convention Center revenues occur. Revenue from the Convention Center operating fund is transferred to the debt service fund to meet annual principal and interest payments. The Convention Center bonds outstanding as of September 30, 2016 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Civic Center Convention Complex	2038	3.00% - 5.25%	$ 303,335
Pension Obligation Bonds	2035	0.295% - 5.48%	3,551
Total Outstanding			$ 306,886

In a previous fiscal year, the City issued notes with an interest rate of 3.92 percent for the purpose of making utility efficiency improvements to the Convention Center. The notes matured during fiscal year 2016.

I. Airport Revenues (General Airport Revenue Bonds, Pension Obligation Bonds, and Note Payable)

In a previous year, the Love Field Airport Modernization Corporation (LFAMC) issued $109.2 million in General Airport Revenue Bonds, Series 2015 with a premium of $13.6 million. The stated interest rate on the bonds is 5 percent with a final maturity on November 1, 2035. Proceeds from the sale of the Bonds will be used to fund design and construction costs of an approximately 5,000 space parking garage and related improvements to increase public parking capacity at Love Field Airport, fund approximately 27 months of capitalized interest (which is intended to cover the period commencing with the date of issuance of the Bonds through 12 months following substantial completion of construction of the parking garage, fund a bond debt service reserve fund, and pay cost of issuance for the bonds.

Pension Obligation bonds are paid through increased contributions to the Debt Service Fund. Operating revenues from Airport operations and interest earned on the cash balance in the debt service fund are pledged for repayment of the debt. Revenues are transferred from the Airport operating fund to the debt service fund to meet annual principal and interest obligations.

Airport revenue and pension obligation bonds outstanding as of September 30, 2016 are as follows:

	Final Maturity	Interest Rates	Amount
General Airport Revenue Bonds	2036	5.00%	$ 109,235
Pension Obligation Bonds	2035	0.295% - 5.48%	4,678
Total			$ 113,913

In a previous fiscal year, the City issued notes with an interest rate of 1.89 percent for the purpose of making utility efficiency improvements to various buildings at Love Field. The notes are payable in quarterly installments and reach final maturity during fiscal year 2017. The total outstanding note payable as of September 30, 2016 is $266 thousand.

J. Airport Revenues Conduit Debt and Revenue Credit Agreement

The Love Field Airport Modernization Corporation (LFAMC), a Texas non-profit “local government corporation” and blended component unit of the City, issued $310 million in Special Facilities Revenue Bonds during November 2010, and $146.26 million in May 2012. The bonds were issued to finance the acquisition, construction, expansion, installation and equipping of certain capital improvements at Dallas Love Field Airport. Major construction commenced during fiscal year 2010 and was substantially completed during fiscal year 2015.

Note 10. Long-Term Debt (continued)

Prior to the issuance of the bonds, the City entered into two separate funding agreements with an airline carrier: (1) a "Facilities Agreement" pursuant to which the airline carrier is obligated to make debt service payments on the principal and interest amounts associated with the bonds (Facilities Payments), less other sources of funds the City may apply to the repayment of the bonds (including, but not limited to, passenger facility charges collected from passengers originating from Love Field Airport); and (2) a "Revenue Credit Agreement" pursuant to which the City will reimburse the airline carrier for the Facilities Payments made by the carrier.

A majority of the monies transferred from the City to the airline carrier under the Revenue Credit Agreement are expected to originate from a reimbursement account created in a "Use and Lease Agreement" between the City and the airline carrier. The Use and Lease Agreement is a 20-year agreement providing for, among other things, the lease of space at the Airport from the City. The remainder of such monies transferred from the City to the airline carrier under the Revenue Credit Agreement is expected to originate from (1) use and lease agreements with other airlines, (2) various concession agreements, and (3) other miscellaneous revenues generated at Love Field Airport.

All of the assets ultimately acquired by the bonds belong to the City at the time of acquisition pursuant to an Agreement for Donation and Assignment entered into between the City and the airline carrier. The bonds are a special obligation for which the airline carrier has guaranteed the principal and interest payments on the bonds, payable solely from the facilities payments to be made pursuant to the terms of the Special Facilities Agreement and other funds constituting the trust estate under the indenture, including any amounts received under the guaranty. The bonds do not constitute a debt or pledge of the faith and credit of the LFAMC, the City, the County, or the State of Texas, and accordingly have not been reported in the accompanying financial statements. At September 30, 2016, the Special Facilities Revenue Bonds outstanding was $435 million.

K. Airport Revenues Obligation for Revenue Credit Agreement

The revenue credit agreement entered into between the City and the airline carrier was made possible as a result of the rate making provisions of the Airport Use and Lease Agreement which provide for the annual calculation of airline rates and charges sufficient to recover among other things, debt service on the bonds. While the crediting back of money to the airline carrier under the revenue credit agreement will be done pursuant to a contractual agreement between the City and the airline carrier, such revenue credits are not pledged to the payment of debt service on the Bonds. The City has determined the obligation under the revenue credit agreement to be a liability, and accordingly has recorded the obligation in the accompanying financial statements. The interest rates for the obligation range between 4.39 percent to 5.48 percent, and the obligation will be amortized over a period of 30 years. The balance of the obligation for the revenue credit agreement was $439 million less the net premium/discount of $4 million for a total balance of $435 million, at September 30, 2016. The schedule of principal and interest payments required for the obligation is provided below (in thousands):

	Airport Revenue - LFAMC Obligation for Revenue Credit Agreement		
Fiscal Year	Principal	Interest	Total
2017	$ 7,340	$ 22,462	$ 29,802
2018	7,710	22,086	29,796
2019	8,095	21,690	29,785
2020	8,500	21,318	29,818
2021	8,840	20,927	29,767
2022-2026	51,280	97,370	148,650
2027-2031	79,690	81,773	161,463
2032-2036	116,800	55,555	172,355
2037-2041	150,850	20,608	171,458
Total	$ 439,105	$ 363,789	$ 802,894

Note 10. Long-Term Debt (continued)

L. Sanitation Enterprise Fund (General Obligation Bonds, Pension Obligation Bonds)

The Sanitation fund provides for the payment of principal and interest on a portion of the 2010 General Obligation Refunding Bonds and the Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2016 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Series 631 General Obligation Bonds	2023	3.0% to 5.0%	$ 7,905
Pension Obligation Bonds	2035	0.295% - 5.48%	16,323
Total Outstanding			$ 24,228

M. Non-Major Enterprise Fund (Pension Obligation Bonds)

The non-major enterprise funds provide for the payment of principal and interest on a portion of Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2016 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Pension Obligation Bonds	2035	0.295% - 5.48%	$ 9,098

N. Business-Type Activities Debt Service Requirements

The debt service principal and interest payment requirement to maturity at September 30, 2016 for the business-type activities Revenue Bonds and Pension Obligation Bonds are as follows:

	Dallas Water Utilities					
	Revenue Bonds			Pension Obligation Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2017	$ 100,980	$ 79,592	$ 180,572	$ 1,543	$ 4,806	$ 6,349
2018	94,855	81,240	176,095	1,678	4,863	6,541
2019	99,013	77,936	176,949	1,622	5,117	6,739
2020	98,080	74,961	173,041	1,610	5,322	6,932
2021	101,350	71,690	173,040	5,559	1,575	7,134
2022-2026	445,740	305,700	751,440	23,038	16,990	40,028
2027-2031	366,518	223,706	590,224	7,547	40,028	47,575
2032-2036	370,890	140,814	511,704	7,334	36,194	43,528
2037-2041	288,245	60,010	348,255	-	-	-
2042-2046	123,680	11,052	134,732	-	-	-
Total	$ 2,089,351	$ 1,126,701	$ 3,216,052	$ 49,931	$ 114,895	$ 164,826

Note 10. Long-Term Debt (continued)

	Convention Center					
	Revenue Bonds			Pension Obligation Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2017	$ 6,945	$ 15,579	$ 22,524	$ 110	$ 343	$ 453
2018	8,250	15,232	23,482	120	347	467
2019	8,665	14,820	23,485	116	365	481
2020	9,095	14,386	23,481	115	380	495
2021	9,550	13,932	23,482	397	112	509
2022-2026	55,415	61,999	117,414	1,632	1,212	2,844
2027-2031	70,760	46,652	117,412	538	2,856	3,394
2032-2036	91,145	26,267	117,412	523	2,582	3,105
2037-2038	43,510	3,455	46,965	-	-	-
Total	$ 303,335	$ 212,322	$ 515,657	$ 3,551	$ 8,197	$ 11,748

	Sanitation					
	General Obligation Bonds			Pension Obligation Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2017	$ 966	$ 345	$ 1,311	$ 504	$ 1,571	$ 2,075
2018	947	302	1,249	549	1,590	2,139
2019	825	267	1,092	530	1,673	2,203
2020	821	234	1,055	526	1,740	2,266
2021	1,912	170	2,082	1,818	515	2,333
2022-2026	2,434	103	2,537	7,530	5,555	13,085
2027-2031	-	-	-	2,468	13,086	15,554
2032-2036	-	-	-	2,398	11,832	14,230
Total	$ 7,905	$ 1,421	$ 9,326	$ 16,323	$ 37,562	$ 53,885

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Note 10. Long-Term Debt (continued)

	Non-Major Enteprise Funds			Airport Revenues		
	Pension Obligation Bonds			Pension Obligation Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2017	$ 281	$ 875	$ 1,156	$ 145	$ 450	$ 595
2018	306	886	1,192	157	456	613
2019	295	932	1,227	152	479	631
2020	293	969	1,262	151	499	650
2021	1,012	287	1,299	521	148	669
2022-2026	4,195	3,094	7,289	2,158	1,592	3,750
2027-2031	1,374	7,289	8,663	707	3,751	4,458
2032-2036	1,342	6,590	7,932	687	3,392	4,079
Total	$ 9,098	$ 20,922	$ 30,020	$ 4,678	$ 10,767	$ 15,445

	Airport Revenues					
	General Airport Revenue Bonds			Long-Term Notes Payable		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2017	$ -	$ 5,462	$ 5,462	$ 266	$ 1	$ 267
2018	-	5,462	5,462	-	-	-
2019	3,885	5,365	9,250	-	-	-
2020	4,075	5,166	9,241	-	-	-
2021	4,280	4,957	9,237	-	-	-
2022-2026	24,840	21,265	46,105	-	-	-
2027-2031	31,700	14,231	45,931	-	-	-
2032-2036	40,455	5,253	45,708	-	-	-
Total	$ 109,235	$ 67,161	$ 176,396	$ 266	$ 1	$ 267

O. Discretely Presented Component Unit Debt Service Requirements

The changes in the DDDA discretely presented component unit's long- term liabilities for the year ended September 30, 2016 are as follows:

	Balance 09/30/15	Additions	Deletions	Balance 09/30/16	Due Within One Year
Tax Increment Revenue Bonds					
Series 2006	$ 41,340	$ -	$ 2,040	$ 39,300	$ 2,161
Series 2007	26,007	-	791	25,216	608
Total Bonds	67,347	-	2,831	64,516	2,769
Accretion	30,163	4,201	2,074	32,290	-
Total Bonds	$ 97,510	$ 4,201	$ 4,905	$ 96,806	$ 2,769

The changes in the Dallas Convention Center Hotel Development Corporation discretely presented component unit's long-term liabilities for the year ended December 31, 2015 are as shown on the following page.

Note 10. Long-Term Debt (continued)

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15	Due Within One Year
2009A Current Interest Bonds	$ 62,530	$ -	$ -	$ 62,530	$ -
2009A Capital Appreciation Bonds	11,881	-	-	11,881	-
2009B Taxable Build America Bonds	388,175	-	-	388,175	-
2009C Taxable Bonds	17,235	-	3,700	13,535	5,790
Total Revenue Bonds	479,821	-	3,700	476,121	5,790
Add: Unamortized Premium	557	-	88	469	-
Less: Unamortized Discount	(257)	-	(31)	(226)	-
Add: Accretion on Capital Appreciation Bonds	4,411	995	-	5,406	-
Key Money Payable	6,000	-	-	6,000	200
Total Long-Term Debt	$ 490,532	$ 995	$ 3,757	$ 487,770	$ 5,990

The DDDA discretely presented component unit has issued tax increment bonds that are payable solely from the pledged tax increments of the zone. The tax increment bonds outstanding as of September 30, 2016 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Series DDDA - Series 2006	2036	5.25% - 5.66%	$ 39,300
Series DDDA - Series 2007	2036	5.49% - 6.28%	25,216
Total Outstanding			$ 64,516

The Dallas Convention Center Hotel Development Corporation discretely presented component unit bonds outstanding as of December 31, 2015 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
2009A Current Interest Bonds	2024	4.25% - 5.25%	$ 62,530
2009A Capital Appreciation Bonds	2026	5.43% - 6.46%	11,881
2009B Taxable Build America Bonds	2042	7.09%	388,175
2009C Taxable Bonds	2018	4.99% - 5.58%	13,535
Total Outstanding			$ 476,121

The debt service principal and interest payment requirement to maturity at September 30, 2016 for the DDDA discretely presented component unit activities tax increment financing bonds and at December 31, 2015 for the Dallas Convention Center Hotel Development Corporation bonds are as follows:

	DDDA				Dallas Convention Center Hotel Development Corporation		
Fiscal Year	Principal	Interest	Total	Calendar Year	Principal	Interest	Total
2017	$ 2,769	$ 3,795	$ 6,564	2016	$ 5,790	$ 31,266	$ 37,056
2018	2,715	4,059	6,774	2017	7,415	30,907	38,322
2019	2,753	4,416	7,169	2018	5,437	33,355	38,792
2020	2,749	4,750	7,499	2019	8,435	30,471	38,906
2021	3,208	4,600	7,808	2020	9,125	30,041	39,166
2022-2026	14,562	27,099	41,661	2021-2025	49,737	150,635	200,372
2027-2031	15,551	30,052	45,603	2026-2030	73,752	130,002	203,754
2032-2036	20,209	29,299	49,508	2031-2035	105,670	94,325	199,995
Total	$ 64,516	$ 108,070	$ 172,586	2036-2040	141,830	50,711	192,541
				2041-2042	68,930	4,953	73,883
				Total	$ 476,121	$ 586,666	$ 1,062,787

Note 10. Long-Term Debt (continued)

P. Bonds Authorized and Unissued

The following is a schedule of authorized but unissued bonds at September 30, 2016:

	Date of Authorization	Amount Authorized	Amount Unissued
2006 Capital Improvement Program	11/7/2006	$ 1,338,940	$ 102,000
2012 Capital Improvement Program	11/6/2012	642,000	335,310
Total		$ 1,980,940	$ 437,310

Q. Compliance with Debt Covenants

For the year ended September 30, 2016, management of the City believes that it was in compliance with all financial bond covenants on outstanding revenue and general obligation bonded debt.

R. Dallas Water Utilities Commercial Paper Notes

The commercial paper notes Series D are supported by two liquidity agreements through two banks. The liquidity agreements supporting the Sub-Series D-1 and Sub-Series D-2 notes are through State Street Bank and Trust Company and Bank of America N.A., and extend to January 8, 2018. The Sub-Series D-1 notes have an aggregate available principal amount not to exceed $241.6 million, which includes $225 million of principal together with approximately $16.6 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum. The Sub-Series D-2 notes have an aggregate available principal amount not to exceed $80.5 million, which includes $75 million of principal together with approximately $5.5 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum. The commercial paper program constitutes an obligation subordinate to the Dallas Water Utility revenue bonds. Any advances made by credit providers for payments of commercial paper under the line of credit are secured by water and wastewater pledge revenues. During fiscal year 2016, $180.0 million was issued and $222.1 million was repaid. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt.

S. Dallas Water Utilities Obligation for Water Transmission Facilities Financing Agreement

Tarrant Regional Water District (TRWD), a water control and improvement district and political subdivision of the State of Texas, issued Water Facilities Contract Revenue Bonds in February 2012 in the amount of $131.9 million, in January 2014 in the amount of $202.1 million, and in December 2015 in the amount of $140 million in Water Facilities Contract Revenue Bonds. The bonds were issued to finance the DWU share of costs for designing, acquiring, constructing, improving, repairing, rehabilitating, and or replacing water transmission facilities capable of delivering additional raw water supply to the customers of the DWU and TRWD for their respective customers (the Project). The Project is tentatively scheduled to be completed in 2025. The City's share of the total cost of the Project is estimated to be $977.5 million. Upon completion of the Project, DWU will have reserved capacity rights in the amount of 150 million gallons per day. Depending on the timing of construction, additional bonds are expected to be issued throughout the construction period.

In order to ensure adequate funding from Dallas Water Utilities for the payment of principal and interest, the City entered into a separate funding agreement with TRWD, a Water Transmission Facilities Financing Agreement (the Agreement). Under this Agreement, the City is obligated to make payments to TRWD for the principal and interest amounts associated with the bonds. The Agreement establishes through State statutes that those payments will be treated as operating and maintenance expenses. The treatment of payments to TRWD as operating and maintenance expenses is only being applied to the Schedule of Revenue Bond Coverage for the Dallas Water Utilities and for purposes of establishing rates.

The Agreement establishes that TRWD shall own and operate the Project, subject to Dallas' reserve capacity rights in the Project. The bonds are a special obligation of TRWD. Principal and interest are secured by, and payable solely from, payments to be received by TRWD from the City to the extent required and provided in the Agreement. The bonds do not constitute a debt or pledge of the faith and credit of the City, and accordingly have not been reported in the accompanying financial statements. At September 30, 2016, the TRWD Water Facilities Contract Revenue Bonds outstanding were $456.6 million.

Note 10. Long-Term Debt (continued)

The City has determined the obligation under the Agreement to be a liability to the extent that such obligations are for the payment of bonds issued to fund Dallas Water Utilities' share of costs for the Project. The City has capitalized the development of an intangible asset, Pipeline Reserve Capacity Rights, in Construction in Progress for the actual Project costs incurred by TRWD. The unspent proceeds held by TRWD for future construction costs have been recorded in Other Noncurrent Assets – Future Pipeline Reserve Capacity Rights. The interest rates for the obligation range from 0.45 percent to 6.0 percent. The obligation will be amortized over a period of 30 years. The balance of the obligation for the Agreement was $455.8 million at September 30, 2016. The schedule of principal and interest payments required for the obligation is provided below:

Fiscal Year	Principal	Interest	Total
2017	$ 9,025	$ 16,718	$ 25,743
2018	10,095	17,874	27,969
2019	10,370	17,488	27,858
2020	10,660	17,081	27,741
2021	10,955	16,653	27,608
2022-2025	60,540	76,221	136,761
2027-2031	73,095	64,457	137,552
2032-2036	89,690	49,201	138,891
2037-2041	111,265	28,762	140,027
2042-2045	70,125	5,849	75,974
Total	$ 455,820	$ 310,304	$ 766,124

Note 11. Leases

A. As Lessee

As lessee, the City is committed under various leases for building and office space, data processing, and communications equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the fiscal year ended September 30, 2016, amounted to $7.2 million.

Future minimum lease payments for these leases are as follows:

Year Ending September 30	Total Rental Payments	Governmental Activities	Business-Type Activities
2017	$ 4,422	$ 2,933	$ 1,489
2018	3,520	2,813	707
2019	2,837	2,527	310
2020	2,584	2,263	321
2021	2,308	1,976	332
2022-2026	4,790	2,953	1,837
2027-2031	1,996	63	1,933
Thereafter	427	240	187
Minimum Future Rentals	$ 22,884	$ 15,768	$ 7,116

The City is also committed under capital leases for the purchase of computer equipment, vehicles and heavy equipment, parking garages, and a parking lot. The liability for future capital lease payments totals $133 million. Future minimum lease payments for capital leases including interest and principal are as shown on the following page.

Note 11. Leases (continued)

Fiscal Year	Total Rental Payments	Governmental Activities	Business-Type Activities
2017	$ 22,339	$ 17,155	$ 5,184
2018	20,810	15,626	5,184
2019	14,623	9,439	5,184
2020	11,287	6,103	5,184
2021	12,050	6,866	5,184
2022-2026	33,651	7,734	25,917
2027-2031	25,917	-	25,917
Thereafter	72,818	-	72,818
Total minimum future lease payments	213,495	62,923	150,572
Less: Amount representing interest	(80,479)	(3,806)	(76,673)
Present value of net minimum lease payments	$ 133,016	$ 59,117	$ 73,899

Analysis of the City's investments in capital assets under capital lease arrangements as of September 30, 2016 is as follows:

	Governmental Activities	Business-Type Activities
Building and equipment	$ 77,302	$ -
Land	-	75,270
Less: Accumulated depreciation	(20,879)	-
Total	$ 56,423	$ 75,270

B. As Lessor

The City is also under several lease agreements as lessor whereby it receives revenues from leasing airport terminal space, hangars, parking spaces, ramps, land, buildings, and office space to air carriers and other tenants. These revenue leases are considered for accounting purposes to be operating leases. Additionally, other City departments receive revenues under various agreements for the operation of concessions. Most of these revenues are determined based on various percentages of gross sales for the concessions.

Revenues for the fiscal year ended September 30, 2016 were $50.8 million. The following is a schedule of minimum future rentals on non-cancelable operating leases as of September 30, 2016:

Year Ending September 30	Governmental Activities	Dallas Water Utilities	Convention Center	Airport Revenues	Total
2017	$ 1,325	$ 57	$ 912	$ 38,773	$ 41,067
2018	990	46	898	30,353	32,287
2019	612	46	919	30,059	31,636
2020	612	46	919	29,347	30,924
2021	611	43	919	29,084	30,657
2022-2026	1,498	207	4,306	87,829	93,840
2027-2031	570	207	4,053	32,179	37,009
Thereafter	352	-	15,761	5,329	21,442
Minimum Future Rentals	$ 6,570	$ 652	$ 28,687	$ 282,953	$ 318,862

The above amounts do not include contingent rentals of the Airport Revenues fund, which may be received under certain leases; such contingent rentals received totaled $469 thousand in fiscal year 2016.

Note 11. Leases (continued)

Analysis of the Airport Revenues fund investment in property under operating lease arrangements as of September 30, 2016 is as follows:

Building	$ 503,328
Land	11,796
Subtotal	515,124
Less: Accumulated depreciation	(132,801)
Total	$ 382,323

Note 12. Defeasance of Debt

In current and prior years, the City legally defeased certain outstanding general obligation and enterprise revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments of the refunded bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's basic financial statements.

As of September 30, 2016, the City had a total of $303 million defeased outstanding General Obligation Bonds and $771 million defeased outstanding water and sewer revenue bonds. The bonds defeased during the fiscal year are as follows:

	9/30/2015	Additions	Deletions	9/30/2016
General Obligation Bonds	$ 321,485	$ -	$ 18,130	$ 303,355
Water and Sewer Revenue Bonds	535,440	357,445	121,965	770,920
Total	$ 856,925	$ 357,445	$ 140,095	$ 1,074,275

Note 13. Risk Management – Estimated Claims and Judgments Payable

The City is self-insured for all third-party general liability claims. Claims adjusting services are provided by the City's internal staff. Interfund premiums are based primarily upon the insured funds' claims experience and exposure, and are reported as cost reimbursement interfund transactions. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and, if probable and material, salvage and subrogation.

All known City property, primarily buildings and contents, is insured through commercial insurance policies, subject to a $1 million deductible per loss occurrence. The amount of settlements exceeded the deductible loss per occurrence in fiscal year 2014.

The City is self-insured for workers' compensation claims that occurred prior to October 1, 1999. Effective October 1, 1999 through January 31, 2013, the City was insured for workers' compensation losses in excess of $750 per occurrence. Effective February 1, 2013, the City is insured for workers' compensation losses in excess of $1 million per occurrence. Claims adjusting services are provided by an independent "administrative services" contractor. Workers' compensation premiums are based primarily upon the insured funds' claims experience and exposure, and are reported as cost reimbursement interfund transactions.

All workers' compensation losses are accumulated in a clearing fund which is being reimbursed by the premiums collected. When losses exceed premiums, the deficiencies are prorated and supplemented by the various applicable funds. Accrued workers' compensation liability consists of incurred but not reported as well as unpaid reported claims of which $35.4 million at September 30, 2016, is recorded in the risk funds. Of this amount, $6.5 million is estimated to be payable in the next fiscal year.

The City maintains a group health insurance plan for employees and dependents which is self-insured by the City. The City also offers enrollment in one health maintenance organization as an alternative. Premiums are determined based on the annual budget. The City also maintains a group life insurance plan which offers term-life and accidental death and dismemberment for employees and dependents. The City is fully insured for employee term-life. Health claims and claims incurred but not reported that are probable and can be reasonably estimated are accrued in the accompanying basic financial statements at September 30, 2016, in the amount of $7.2 million in the risk funds.

Note 13. Risk Management – Estimated Claims and Judgments Payable (continued)

At September 30, 2016, the City estimates its general liability at $20.4 million, which $7.5 million is estimated to be payable in the next fiscal year. The general liability includes $9.9 million for automobile and general liability and $10.5 million for probable claims and lawsuits.

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	Workers' Compensation		Health		General Liability	
	2016	2015	2016	2015	2016	2015
Unpaid claims, beginning of year	$ 37,015	$ 40,200	$ 6,713	$ 5,733	$ 17,330	$ 16,408
Incurred claims, including incurred but not reported claims (IBNRs) and changes in estimates	8,950	4,937	70,021	71,048	7,923	6,360
Claim payments	(8,611)	(7,185)	(75,422)	(71,417)	(4,455)	(5,942)
Changes to prior year estimates (IBNR)	(1,938)	(937)	5,871	1,349	(350)	504
Unpaid claims, end of year	$ 35,416	$ 37,015	$ 7,183	$ 6,713	$ 20,448	$ 17,330

Note 14. Capital Assets

Capital asset activity for the year ended September 30, 2016 is as follows:

	Balance, Beginning of Year (Restated)	Additions	Transfers and Retirements	Balance, End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 490,048	$ 2,517	$ (12)	$ 492,553
Artwork	49,460	175	(134)	49,501
Construction in progress	249,724	188,556	(95,564)	342,716
Total capital assets, not being depreciated	789,232	191,248	(95,710)	884,770
Capital assets, being depreciated:				
Buildings	1,295,628	14,251	-	1,309,879
Improvements other than buildings	659,438	8,239	-	667,677
Equipment	634,385	46,384	(14,844)	665,925
Infrastructure assets	2,369,853	79,859	(963)	2,448,749
Total capital assets, being depreciated:	4,959,304	148,733	(15,807)	5,092,230
Less accumulated depreciation for:				
Buildings	(496,995)	(26,073)	-	(523,068)
Improvements other than buildings	(185,687)	(16,948)	-	(202,635)
Equipment	(475,887)	(34,203)	14,789	(495,301)
Infrastructure assets	(884,170)	(42,550)	48	(926,672)
Total accumulated depreciation	(2,042,739)	(119,774)	14,837	(2,147,676)
Total capital assets being depreciated, net	2,916,565	28,959	(970)	2,944,554
Governmental activities capital assets, net	$ 3,705,797	$ 220,207	$ (96,680)	$ 3,829,324

Note 14. Capital Assets (continued)

Depreciation expense charged to functions:

General government	$ 17,363
Public safety	10,665
Streets, street lighting and code enforcement	2,798
Environment and health services	294
Public works and transportation	50,507
Equipment and building services	15,763
Culture and recreation	22,032
Housing	314
Human Services	38
Total depreciation expense - governmental activities	$ 119,774

(includes $4,051 of depreciation expense for the Internal Service Funds)

	Balance, Beginning of Year (Restated)	Additions	Deletions	Balance, End of Year
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	$ 265,253	$ 51,480	$ -	$ 316,733
Artwork	3,344	52	-	3,396
Construction in progress	696,371	443,180	(105,272)	1,034,279
Total capital assets, not being depreciated	964,968	494,712	(105,272)	1,354,408
Capital assets, being depreciated:				
Water rights	353,910	-	-	353,910
Buildings	1,816,402	7,168	-	1,823,570
Improvements other than buildings	474,502	24,240	-	498,742
Equipment	686,823	25,429	(1,890)	710,362
Infrastructure assets	602,953	286	-	603,239
Utililty property	3,687,968	101,909	(235)	3,789,642
Total capital assets, being depreciated:	7,622,558	159,032	(2,125)	7,779,465
Less accumulated depreciation for:				
Water rights	(112,803)	(4,112)	-	(116,915)
Buildings	(571,520)	(41,403)	-	(612,923)
Improvements other than buildings	(108,602)	(15,713)	-	(124,315)
Equipment	(468,366)	(20,078)	1,642	(486,802)
Infrastructure assets	(241,372) *	(11,296)	-	(252,668)
Utility property	(998,207) *	(74,205)	177	(1,072,235)
Total accumulated depreciation	(2,500,870)	(166,807)	1,819	(2,665,858)
Total capital assets being depreciated, net	5,121,688	(7,775)	(306)	5,113,607
Business-Type Activities capital assets, net	$ 6,086,656	$ 486,937	$ (105,578)	$ 6,468,015

* Accumulated depreciation in the amount of $7,349 has been reclassified between infrastructure and utility property assets.

Note 14. Capital Assets (continued)

Depreciation expense charged to business-type activities:

Dallas Water Utillities	$	115,500
Convention Center		18,872
Airport Revenues		29,569
Sanitation		2,805
Nonmajor Enterprise Funds		61
Total depreciation expense - business-type activities	$	166,807

Note 15. Pollution Remediation

The City is responsible for following all applicable environmental rules when managing sites with environmental clean-up or management requirements. The Texas Commission on Environmental Quality (TCEQ) is the State regulatory agency that regulates all projects being reported. The method used to calculate the liability is the current value of outlays to remediate the properties – the amount that would be paid if all equipment, facilities, and services included in the estimate were acquired during the current period. The liability is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of September 30, 2016, the total environmental remediation liability is $4.84 million and $757 thousand is estimated to be paid in fiscal year 2017. At this time, the City is unable to estimate any recoveries to reduce the liability. The specific issues related to the City's remediation efforts include:

The City is managing ten sites that are regulated by the Texas Risk Reduction Program, Texas Administrative Code (TAC) Ch. 350. For the first site, the City has investigated the environmental impact from two permitted closed landfills and has been conducting remediation as required. Additional activities include preparing response action completion report for submittal to TCEQ, requesting conditional closure, groundwater monitoring, methane monitoring, and cap inspections. The estimated cost for this project is $2.547 million and $84 thousand is expected to be paid in fiscal year 2017. For the second site, the City has completed a Phase I and Phase II Environmental Site Assessments (ESA), addressed groundwater with a municipal setting designation (MSD), and excavated a portion of metal impacted soils. Future response action includes preparing a Response Action Plan for TCEQ and installing a clay cap. The estimated cost for this project is $476 thousand and $10 thousand is expected to be paid in fiscal year 2017. For the third site, the City conducted pre-demolition environmental investigation in the building including testing for metals dust, asbestos containing material, lead, and mold and in the subsurface at a former Aviation Tenant property with the expectation to lease in the future. Additional activities include obtaining conditional closure from TCEQ and providing oversight of development activities by the tenant in the building and subsurface. The estimated cost for this project is $429 thousand and $15 thousand is expected to be paid in fiscal year 2017. For the fourth site, the City completed a Phase II ESA as part of pre-acquisition due diligence. Additional activities include groundwater monitoring and reporting. Currently known activities at this site are expected to be complete in fiscal year 2017 with an estimated cost of $59 thousand. For the fifth site, the City has completed a Phase I and Phase II ESA, hydraulic lift removal, asbestos abatement, and removal of impacted soil as part of construction of a new fire station. Additional activities include submitting an application to the TCEQ Voluntary Cleanup Program (VCP), obtaining an MSD and reporting to TCEQ. Currently known activities at this site are expected to be complete in fiscal year 2017 with an estimated cost of $67 thousand. For the sixth site, the City has completed a Phase I and II ESA. Additional activities include subsurface investigation, reporting, and a MSD. The estimated cost for this project is $227 thousand and $131 thousand is expected to be paid in fiscal year 2017. For the seventh site, the City has completed a Phase I and II ESA and an MSD is in process. Additional activities include subsurface investigation, reporting, and obtaining an MSD certification. The estimated cost for this project is $77 thousand and $63 thousand is expected to be paid in fiscal year 2017. For the eighth site, the City has completed a Phase I and II ESA as part of due diligence activities. Additional activities include subsurface investigation, excavation of impacted soil, and reporting. The estimated cost for this project is $358 thousand and $80 thousand is expected to be paid in fiscal year 2017. For the ninth site, the City has completed a Phase I and II ESA as part of due diligence before leasing the property to be developed. Additional activities include entering the site in VCP, an MSD, and reporting to TCEQ. The estimated cost for this project is $151 thousand and $45 thousand is expected to be paid in fiscal year 2017. For the tenth site, the City has completed a Phase I and II ESA as part of due diligence prior to executing a lease to own agreement. Additional activities are expected to include additional investigation and reporting to TCEQ. The estimated cost for this project is $26 thousand and no costs are expected in 2017. The City is committed under a capital lease for the purchase of this property. However, no environmental work is scheduled for 2017, as the property is occupied by a tenant of the City.

Note 15. Pollution Remediation (continued)

The City is also managing environmental corrective action at two leaking petroleum storage tank sites. Activities at these sites are conducted in compliance with the rule for Underground and Aboveground Storage Tanks, TAC Ch 334. For the first site, the City conducted groundwater monitoring and product recovery activities. Additional activities include groundwater monitoring, an MSD, and reporting. The estimated cost for this project is $231 thousand, with $90 thousand expected to be paid in fiscal year 2017. For the second site, the City completed a Phase I and Phase II ESA, asbestos abatement, removal of underground storage tanks and remaining subsurface components of a hydraulic lift, product recovery, installation of additional monitor wells, and groundwater monitoring. Additional activities include groundwater monitoring and reporting. The estimated cost for this project is $111 thousand, with $35 thousand expected to be paid in fiscal year 2017.

The City is also managing testing and removal of asbestos containing materials at one site in compliance with Texas Asbestos Health Protection Rules, TAC Ch 295. The City conducted an asbestos survey prior to redevelopment of the structure. Additional activities include asbestos abatement. The estimated cost for this project is $78 thousand and all activities are expected to be completed in fiscal year 2017.

Note 16. Pension Plans

A. Plan Descriptions

The City participates in funding three single employer, contributory, defined benefit employee pension plans. Membership is a condition of employment for all full-time, permanent employees. The activities of the entities as of December 31, 2015 are reported in the City's Pension Trust Funds. Descriptions of each plan are as follows:

Employees' Retirement Fund (ERF): The legal authority for this plan is Chapter 40A of the Dallas City Code. The fund is for the benefit of all eligible employees of the City, excluding firefighters and police officers. The fund is administered by a seven member board of trustees consisting of three persons appointed by the City Council who may be council members, three employees from different departments of the City who are elected by members of the retirement fund and who are members of the retirement fund, and the City Auditor. The ERF issues a stand-alone financial report which is available at: www.dallaserf.org/publications.html.

Dallas Police and Fire Pension System Combined Plan (Combined Plan): The legal authority for the Combined Plan is Article 6243a-1 of the Revised Civil Statutes of Texas. The Combined Plan is a retirement fund for police officers and firefighters employed by the City of Dallas. The system is administered by a twelve member board of trustees of the Dallas Police and Fire Pension System (DPFP System) composed of three elected from active members of the police department, three elected from active members of the fire rescue department, one elected by retired police officers, one elected by retired firefighters, and four appointed by the City Council from its membership. It is comprised of a single defined benefit pension plan designed to provide retirement, death, and disability benefits for firefighters and police officers (members). All active, eligible police officers and firefighters employed by the City are required to participate. The DPFP System issues a stand-alone financial report which is available at: www.dpfp.org/annualreports.html.

Supplemental Police and Fire Pension Plan of the City of Dallas (Supplemental Plan): The legal authority for the Supplemental Plan is Subsection 35 of Chapter II of the Charter of the City of Dallas and Ordinance 14084 of 1973. The plan is administered by the board of trustees for the DPFP System. This plan includes officials in the Fire and Police Departments who hold rank higher than the highest corresponding Civil Service rank available as a result of competitive examination. The Supplemental Plan issues a stand-alone financial report which is available at: www.dpfp.org/annualreports.html.

B. Benefits provided

ERF: ERF provides retirement, disability, and death benefits to its members in accordance with Chapter 40A of the Dallas City Code. All employees of the City are members except police officers, firefighters, elected officers, non-salaried appointee members of boards or commissions, part-time employees working less than one-half time, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency.

Note 16. Pension Plans (continued)

Members have vested rights to retirement benefits after five years of service or to survivor benefits after two years of service. Benefits are based on credited service and the average monthly earnings for the three highest paid calendar years. Members of the fund are entitled to normal retirement pension at age 60; early retirement pension at age 55 if employed prior to May 9, 1972 or age 50 and years of service total 78; service retirement pension at any age after 30 years of credited service and disability retirement pension as determined by the board of trustees. Cost of living adjustments for retirees are made each year on January 1 by adjusting the pension base by the percentage change of the consumer price index, not to exceed 5 percent.

Amendments to Chapter 40A of the Dallas City Code, other than provisions required to comply with federal law, may only be made by a proposal initiated by either the board of trustees of the ERF or the City Council which results in an ordinance approved by the board, adopted by the City Council, and approved by a majority of the voters voting at a general or special election.

Combined Plan: The Combined Plan provides comprehensive retirement, disability, and survivor benefits for the City's police officers, firefighters and their beneficiaries as authorized through Article 6243a-1 of the Revised Civil Statutes of Texas. The Combined Plan consists of Group A and Group B membership. No member elected contribution under Group A.

Group A members may elect to receive one of two benefit structures: Options 1 and 2. Option 1 entitles members with 20 years or more of pension service to normal monthly pension benefits beginning at age 50 equal to 50 percent of the base pay as defined as the maximum monthly civil service pay established by the City at the time of retirement plus 50 percent of the longevity pay the member was receiving at the time he or she left active service with the City or the effective date the member joined the Deferred Retirement Option Plan (DROP). Option 2 entitles members with 20 years or more of pension service to normal monthly pension benefits beginning at age 55 equal to 3 percent of the base pay computed as noted in Option 1 for each year with a maximum of 32 years. In addition, a member receives 50 percent of the longevity pay and 1/24 of any City service incentive pay the member was receiving at the time he or she left active service with the City or the effective date the member joined DROP.

Under Group B, members receive one of two benefit structures:

- Members who began membership before March 1, 2011 with 5 or more years of pension service are entitled to monthly pension benefits beginning at age 50 equal to 3 percent of the member's average Computation Pay determined over the highest 36 consecutive months of Computation Pay, multiplied by the number of years of pension service, up to a maximum of 32 years. Certain members who meet the service prerequisite may elect to take early retirement with reduced benefits starting at age 45, or earlier if the member has 20 years of pension service. Benefits are increased by a cost of living adjustment of 4 percent of the initial benefit amount each October 1.
- Members who began membership after February 28, 2011 are entitled to monthly pension benefits after accruing 10 years of pension service and the attainment of age 55. Pension benefits are equal to the member's average Computation Pay determined over the highest 60 consecutive months of Computation Pay, multiplied by 2 percent for the first 20 years of service, 2.5 percent for the next five years of service, and 3 percent for years of service in excess of 25 years, and multiplied by the number of years of pension service. The member shall not accrue a monthly pension benefit that exceeds 90 percent of the member's average Computation Pay.

Members who are eligible to retire are allowed to enter the DROP program. The member's monthly benefit remains in a DROP account and accumulates interest. Upon retirement from the City, the member is able to withdraw benefits from their DROP account along with the normal benefits. The total DROP account balance was $1.5 billion at December 31, 2015.

Members may amend the Combined Plan documents in any manner, including amendments to benefits or eligibility requirements, or to create a new plan or amend or restate any existing plan within the DPFP System, provided certain criteria are met.

Note 16. Pension Plans (continued)

Supplemental Plan: The Supplemental Plan provides benefits designed to supplement Combined Plan Group B benefits for members holding a rank higher than the highest corresponding civil service rank because their Combined Plan benefits are capped by the definition of "considered compensation." Benefits provided by the Supplemental Plan were approved by the Dallas City Council through passage of City Ordinance 14084 of 1973 as authorized in City Charter Chapter II, Subsection 35. Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age 50. Members receive a supplemental pension based upon the difference between compensation for the civil service position held before entrance into the Supplemental Plan and compensation while participating in the Supplemental Plan. The formula used to determine the member's Combined Plan Group B benefit is also used to determine the member's benefit under the Supplemental Plan; therefore, the same length of time is used to determine the average computation pay for both the Combined Plan and the Supplemental Plan, as well as provisions for the application for benefits. Benefits are increased by a cost of living adjustment of 4 percent of the initial benefit amount each October 1.

Members who are eligible to retire are allowed to enter the DROP program. The member's monthly benefit remains in a DROP account and accumulates interest. Upon retirement from the City, the member is able to withdraw benefits from their DROP account along with the normal benefits. The total DROP account balance was $10.9 million at December 31, 2015.

The Supplemental Plan document can be amended only by the City Council in accordance with City ordinance.

C. Employees covered by benefit terms

At December 31, 2015, the following numbers of employees were covered by the benefit terms:

	ERF	Combined Plan	Supplemental Plan
Retirees and beneficiaries currently receiving benefits	6,756	4,230	124
Inactive members entitled to benefits but not yet receiving them	1,163	200	-
Current members	7,477	5,415	45
Total	15,396	9,845	169

D. Contributions

ERF: Chapter 40A of the Dallas City Code establishes contribution requirements. Changes to the contribution formula may only be made by a proposal initiated by either the board of trustees of the ERF or the City Council which results in an ordinance approved by the board, adopted by the City Council, and approved by a majority of the voters voting at a general or special election.

The City contributes 63 percent of the required contribution and the membership contributes 37 percent. The City's contribution rate covers both the debt service tied to the pension obligation bonds and the contributions to the Employees' Retirement Fund. Although the total contribution is actuarially determined each year, it is adjusted based on the following requirements of Chapter 40A: (1) the maximum contribution percentage of covered wages is 36 percent; (2) the maximum increase or decrease from one year to the next is 10 percent; and (3) the contribution rate changes only if the actuarial valuation develops a rate which differs from the prior rate by more than 300 basis points. The adjusted contribution as a result of Chapter 40A is the Current Adjusted Total Obligation Rate (CATOR). Contribution rates are 13.32 percent of covered wages for employees and 22.68 percent for the City for the City's fiscal year ended September 30, 2016. The City's contribution of 22.68 percent is divided into 13.83 percent cash to the Plan and 8.85 percent for debt service payments on the pension obligation bonds. For 2016, the City contribution was $53.9 million.

Combined Plan: Article 6243a-1 of the Revised Civil Statutes of the State of Texas establishes contribution requirements. The amount of the contribution percentage may be determined only by the State Legislature or by a majority vote of the voters of the City of Dallas.

The City makes statutorily required contributions of 27.5 percent of total wages and salaries as defined in the Combined Plan document and Article 6243a-1. No member elected contribution under Group A, which would have been 6.5 percent of contribution pay. Group B members not in DROP are required to contribute 8.5 percent of their computation pay. For 2016, the City contribution was $119.0 million.

Note 16. Pension Plans (continued)

Active members in DROP pay contributions at the rate of 4 percent of Computation Pay. The City pays contributions for active members in DROP at the rate of 27.5 percent of total wages and salaries.

Supplemental Plan: Ordinance 14084 of 1973 establishes contribution requirements. Changes to the contribution amounts or percentages may be made by City Council ordinance.

Members of the Supplemental Plan contribute 8.5 percent of their pay that is applicable to the Supplemental Plan. The City makes an annual contribution to the Supplemental Plan based on the results of an actuarial study. For 2016, the City contribution was $3.1 million.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date.

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Note 16. Pension Plans (continued)

F. Actuarial Assumptions

The total pension liabilities in the December 31, 2015 actuarial valuations were determined using the following actuarial assumptions for each of the plans, applied to all periods included in the measurement:

	ERF	Combined Plan	Supplemental Plan
Inflation	3%	2.75%	2.75%
Salary Increases	3.50% to 7.00%, including inflation	2.75%	2.75%
Investment Rate of Return	8.00%	7.25%	7.25%
Mortality	**For actives:** Males - RP2000 Healthy Mortality Table for male employees, set forward 4 years. Females - RP2000 Healthy Mortality Table for female employees, set back 5 years. **For healthy retirees:** Males - RP2000 Blue Collar Mortality Table for male annuitants, with a 109% multiplier and fully generational mortality using improvement Scale BB. Females - RP2000 Blue Collar Mortality Table for female annuitants, with a 103% multiplier and fully generational mortality using improvement Scale BB. **For all disabled lives:** RP2000 Disabled Mortality Table for male annuitants, set forward one year.	**For actives:** RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015. **For healthy retirees:** RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015. **For all disabled lives:** RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.	**For actives:** RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015. **For healthy retirees:** RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015. **For all disabled lives:** RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.
Cost of Living	3.00%	4% of original pension	None
Long-term expected rate of return	Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.	Derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation.	Derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation.

Note 16. Pension Plans (continued)

The target allocation and best estimates of arithmetic real rates of return (RROR) for each of the plans, by major asset class, are summarized in the following table:

	ERF	
Asset Class	Target Allocation	Long-term RROR
Domestic Equity	15.0%	6.50%
International equity	15.0%	6.50%
Global equity	5.0%	6.70%
Low volatility global equity	10.0%	6.70%
Private equity	15.0%	9.50%
REITS	5.0%	5.00%
Real assets	5.0%	6.40%
Investment grade fixed income	12.5%	3.50%
High yield fixed income	15.0%	6.35%
Credit opportunities	2.5%	6.35%
Total	100.0%	

	Combined Plan		Supplemental Plan	
Asset Class	Target Allocation	Long-term RROR	Target Allocation	Long-term RROR
Global equity	20%	7.10%	20%	7.10%
Emerging markets equity	5%	9.85%	5%	9.85%
Private equity	5%	11.50%	5%	11.50%
Short-term core bonds	2%	1.75%	2%	1.75%
Global bonds	3%	1.25%	3%	1.25%
High yield and bank loans	11%	4.95%	11%	4.95%
Structured credit/absolute return	6%	5.75%	6%	5.75%
Emerging markets debt	6%	5.15%	6%	5.15%
Private debt	5%	4.55%	5%	4.55%
Natural resources	5%	4.30%	5%	4.30%
Infrastructure	5%	6.45%	5%	6.45%
Real estate	12%	4.55%	12%	4.55%
Liquid real assets	3%	7.88%	3%	7.88%
Global asset allocation	10%	5.34%	10%	5.34%
Cash	2%	1.15%	2%	1.15%
Total	100%		100%	

G. Discount Rate

ERF: The discount rate used to measure the total pension liability was 5.76 percent. In order to develop the blended discount rate of 5.76 percent, the actuarial assumed rate of return of 8.00 percent was used during the period that the plan was projected to have a fiduciary net position, and a municipal bond rate of 3.57 percent was used during the period that the plan was projected to have no fiduciary net position. The 3.57 percent is based on the Municipal Bond 20-year High Grade Rate Index as of December 31, 2015. The projection of cash flows used to determine the discount rate assumed that that (1) plan member contributions and City contributions will be made at the projected future contribution rates outlined in Chapter 40A of the Dallas City Code, under which employees contribute 37 percent of the CATOR; the City contributes 63 percent of the CATOR, reduced by the amount required to pay current debt service on the 2005 pension obligation bonds; (2) the ERF annually earns 8.00 percent on its market value of assets; and (3) the number of active members remains constant in the future. Based on those assumptions, the ERF fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees.

Note 16. Pension Plans (continued)

Combined Plan: The discount rate used to measure the total pension liability was 3.95 percent. In order to develop the blended discount rate of 3.95 percent, the actuarial assumed rate of return of 7.25 percent was used during the period that the plan was projected to have a fiduciary net position, and a municipal bond rate of 3.57 percent was used during the period that the plan was projected to have no fiduciary net position. The 3.95 percent is based on the Municipal Bond 20-year High Grade Rate Index as of December 31, 2015. The projection of cash flows used to determine the discount rate assumed that employee and City contributions will be made according to statutorily required contributions. Based on those assumptions, the DPFP System's Combined Plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees.

Supplemental Plan: The discount rate used to measure the total pension liability was 7.19 percent. In order to develop the blended discount rate of 7.19 percent, the actuarial assumed rate of return of 7.25 percent was used during the period that the plan was projected to have a fiduciary net position, and a municipal bond rate of 3.57 percent was used during the period that the plan was projected to have no fiduciary net position. The 3.57 percent is based on the Municipal Bond 20-year High Grade Rate Index as of December 31, 2015. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made according to statutorily required contributions. The City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the statutorily required employee rate. Based on those assumptions, the Supplemental Plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees.

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Note 16. Pension Plans (continued)

H. Changes in the Net Pension Liability

The following table shows the net pension liabilities as of December 31, 2015.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Employees' Retirement Fund			
Balances at December 31, 2014	$ 4,004,055	$ 3,398,485	$ 605,570
Changes for the year:			
Service cost	78,020	-	78,020
Interest	313,850	-	313,850
Changes of assumptions	1,238,431	-	1,238,431
Differences between expected and actual experience	(26,829)	-	(26,829)
Contributions - City	-	50,721	(50,721)
Contributions - Employee	-	50,742	(50,742)
Net investment income	-	(53,344)	53,344
Benefit payments, including refunds of employee contribution	(239,960)	(239,960)	-
Adminstrative expense	-	(4,598)	4,598
Other changes	-	162	(162)
Net Changes	1,363,512	(196,277)	1,559,789
Balances at December 31, 2015	$ 5,367,567	$ 3,202,208	$ 2,165,359
Combined Plan			
Balances at December 31, 2014	$ 8,048,930	$ 3,074,195	$ 4,974,735
Changes for the year:			
Service cost	125,441	-	125,441
Interest	359,023	-	359,023
Changes of assumptions	908,988	-	908,988
Differences between expected and actual experience	379,461	-	379,461
Contributions - City	-	114,886	(114,886)
Contributions - Employee	-	25,676	(25,676)
Net investment income	-	(235,338)	235,338
Benefit payments, including refunds of employee contribution	(285,003)	(285,003)	-
Adminstrative expense	-	(8,417)	8,417
Other changes	-	(5,875)	5,875
Net Changes	1,487,910	(394,071)	1,881,981
Balances at December 31, 2015	$ 9,536,840	$ 2,680,124	$ 6,856,716
Supplemental Plan			
Balances at December 31, 2014	$ 42,712	$ 21,405	$ 21,307
Changes for the year:			
Service cost	36	-	36
Interest	2,953	-	2,953
Changes of assumptions	(601)	-	(601)
Differences between expected and actual experience	929	-	929
Contributions - City	-	2,443	(2,443)
Contributions - Employee	-	43	(43)
Net investment income	-	(1,690)	1,690
Benefit payments, including refunds of employee contribution	(2,640)	(2,640)	-
Adminstrative expense	-	(61)	61
Other changes	-	(43)	43
Net Changes	677	(1,948)	2,625
Balances at December 31, 2015	$ 43,389	$ 19,457	$ 23,932

Note 16. Pension Plans (continued)

The net pension liability for the ERF has been allocated between governmental activities and business-type activities based on the percentage of contribution by each. The net pension liability for the Combined Plan and Supplemental Plan is reported in the governmental activities. For governmental activities, the total net pension liability was $8,319,676, and for business-type activities, $726,331. The amount of the ERF net pension liability allocated by business-type activity is $427,999 to Dallas Water Utilities, $25,429 to Convention Center, $52,872 to Airport Revenues, $135,742 to Sanitation and $84,289 to nonmajor funds.

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the City, calculated using the discount rates of 5.76 percent for ERF, 3.95 percent for the Combined Plan and 7.19 percent for the Supplemental Plan, as well as what the City's net pension liability would be if it were calculated using discount rates that are 1-percentage-point lower (4.76 percent for ERF, 2.95 percent for the Combined Plan and 6.19 percent for the Supplemental Plan) or 1-percentage-point higher (6.76 percent for ERF, 4.95 percent for the Combined Plan and 8.19 percent for the Supplemental Plan) than the current rates:

	1% Decrease	Current Discount Rate	1% Increase
ERF	$ 2,915,146	$ 2,165,359	$ 1,547,749
Combined Plan	$ 8,471,987	$ 6,856,716	$ 5,581,404
Supplemental Plan	$ 28,199	$ 23,932	$ 20,318

J. Pension Plan Fiduciary Net Position

Detailed information about the fiduciary net position of each of the pension plans is available in the separately issued financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2016, the City recognized pension expense of $510,366 for the ERF, $678,640 for the Combined Plan, and $2,981 for the Supplemental Plan. At September 30, 2016, the City also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERF		Combined Plan		Supplemental Plan
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	$ -	$ 31,804	$ 303,568	$ 3,051	$ -
Changes of assumptions	1,093,697	-	727,191	-	-
Net difference between projected and actual earnings on pension plan investments	292,252	-	587,845	-	3,888
Contributions subsequent to the measurement date	41,613	-	88,870	-	3,064
Total deferred outflows/inflows	$ 1,427,562	$ 31,804	$ 1,707,474	$ 3,051	$ 6,952

Deferred outflows of resources reported in the amounts of $41,613, $88,870 and $3,064 related to pension contributions in the ERF, Combined Plan and Supplemental Plan made subsequent to the measurement date will be recognized as a reduction of the net pension liability during the fiscal year ended September 30, 2016. Deferred outflows and inflows of resources reported in the amount of $2,973,586 related to pensions will be recognized in pension expense as shown on the following page.

Note 16. Pension Plans (continued)

	ERF	Combined Plan	Supplemental Plan
Year ending 12/31:			
2016	$ 430,966	$ 422,767	$ 1,081
2017	430,966	422,767	1,080
2018	375,997	422,767	1,080
2019	116,216	347,497	647
2020	-	(245)	-

Note 17. Commitments and Contingencies

A. Pending Lawsuits and Claims

Various claims and lawsuits are pending against the City and its officers and employees acting in their official capacities (hereafter collectively "City" for purposes of Note 17 A). Those lawsuits and claims, excluding condemnation proceedings, which are considered "probable" and estimable are accrued as a liability, while those claims and judgments, excluding condemnation proceedings, which are considered "reasonably possible" are disclosed but not accrued.

In the opinion of the City Attorney, the potential loss resulting from all material pending lawsuits and claims, excluding condemnation proceedings, which are considered reasonably possible and estimable, is approximately $15.6 million as of September 30, 2016. Additionally, the City is a defendant in six lawsuits filed by past and current police and fire-rescue officers and on-behalf of future police and fire-rescue officers, alleging that current and past police and fire pay schedules were adopted in violation of a referendum approved by the voters in 1979. One of these lawsuits is scheduled for trial in December 2017. The City is currently unable to predict the ultimate outcome of these lawsuits; however, if the City were to receive an unfavorable outcome, the City would likely look to other avenues of resolution, including appropriate appeals. As such, the City cannot reasonably estimate the amount of liability, if any, that might result from these lawsuits, as well as the timing of any liability, at this time.

At September 30, 2016, approximately $10.5 million has been accrued as a liability in the risk funds for pending material claims and lawsuits, excluding condemnation proceedings, considered to be probable. In the opinion of the City Attorney, this is the total amount of all such pending claims and lawsuits which represent probable loss to the City.

B. Commitments and Loss Contingencies

The City participates in a number of federally assisted and state grant programs, principally the Community Development Block Grant, Women, Infants and Children, and HOME Programs. The programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of the expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amount, if any, to be immaterial.

On February 5, 2016, the U.S. Army Corps of Engineers requested a detailed schedule for the removal of, or modifications to, the Standing Wave to provide navigability along the Trinity River in order to comply with permit requirements. The Standing Wave is a recreational whitewater feature along the Trinity River completed by the City of Dallas in 2009. The City is currently in the process of obtaining proposals for three options: modification of a bypass channel to allow for two-way navigation, full removal of the wave structures and bypass channel, and partial removal of some elements. Conceptual design and cost estimates for the three options are not available.

The City has several major construction projects planned or in progress as of September 30, 2016. These projects are evidenced by contractual commitments and include the following: $312 million for General Purpose Capital Improvements and $438 million for Water Utilities Capital Improvements.

As discussed in note 2.B., Budgets and Budgetary Basis of Accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability, and to facilitate effective cash planning and control. As of September 30, 2016, the amount of encumbrances expected to be honored upon performance by the vendor in a subsequent year were as follows:

Note 17. Commitments and Contingencies (continued)

	Amount
General fund	$ 15,838
Nonmajor governmental funds	343,898
Total	$ 359,736

C. Gain Contingency

On October 1, 1981, the City of Dallas purchased water supply rights for Lake Fork, a water source owned and operated by the Sabine River Authority (Authority), for approximately $117 million. Lake Fork is located on Lake Fork Creek, a tributary of the Sabine River, in Wood, Hopkins, and Rains Counties, approximately 70 miles east of the City of Dallas. Financial obligations of the City's share of Lake Fork water supply rights were fully paid as of December 2004. The City now has a contract with the Authority for 74 percent of the water available from Lake Fork.

The City is required to pay the Authority for a pro rata share of the operation and maintenance costs associated with Lake Fork, which was approximately $3.8 million in the fiscal year ended September 30, 2016. The pro rata share of the operation and maintenance costs owed to the Authority for the renewal of the Lake Fork contract was to be mutually negotiated with the Authority pursuant to the terms of the contract. Negotiation attempts with the Authority failed and in October 2014, the Authority unilaterally established a rate which would require the City to pay approximately an additional $24 million annually for the water to which it is entitled. The City has challenged the rate by filing petitions with the Public Utilities Commission of Texas (PUC) and district courts in Travis and Orange counties in Texas. The PUC has ordered an administrative law judge to consider setting an interim rate while this dispute is pending.

On April 2, 2015, the administrative law judge ruled that the interim rate must be paid by the City of Dallas until the rate case is resolved. The rate was set by the Authority on a take-or-pay basis, without a cost escalator. This interim rate was retroactive to November 2, 2014. The amounts the City pays in accordance with the interim rate are expensed and deposited into an interest-bearing escrow account, established by the Authority, pending the final outcome of the rate case.

Note 18. Other Postemployment Benefits

In addition to pension benefits, the City provides certain healthcare and life insurance benefits for retired employees through various Council resolutions. Employees who are permanent, full-time employees are eligible to participate in the benefits at retirement. The City is self-insured for these programs. The City eliminated subsidization of the plan for individuals hired on or after January 1, 2010.

For retired employees hired before January 1, 2010, the City pays on average $249 (not in thousands) per month. For pre-Medicare retirees who qualify and choose the City health plan, the City pays approximately 50 percent of the actuarial cost and the retiree pays the other 50 percent. Spouses of retirees, like active employees, pay 100 percent of premiums. There were 5,163 retired participants and surviving spouses in the health plan at September 30, 2016, the latest data used for this evaluation. Post-Medicare retirees are offered the active plans but must pay the full cost of coverage; alternatively, they are also offered several Medicare supplement plans along with a Medicare Part D prescription drug plan. The City subsidizes the Medicare supplement plans for the retirees but does not subsidize the dependent cost.

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The actuarial cost method used in this valuation to determine the actuarial accrued liability and the ARC is the projected unit credit method with service prorated. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City has elected to amortize the unfunded actuarial liability over 30 years as a level percentage of payroll, on an open basis. The discount rate used for the determination of the expense for fiscal year 2016 is 4 percent. The annual healthcare trend rates range from 8 percent to 4.5 percent per year. Total claim payments for fiscal year 2016 were approximately $15.5 million net of participants' contributions.

Note 18. Other Postemployment Benefits (continued)

Actuarial Valuations

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The following table shows the components of the City's annual OPEB cost for fiscal year 2016, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (in thousands):

Annual required contribution	$ 25,687
Interest on net OPEB obligation	9,663
Adjustment to annual required contribution	(9,230)
Annual OPEB cost	26,120
Contributions made	(15,453)
Increase in net OPEB obligation	10,667
Net OPEB obligation, beginning of year	241,533
Net OPEB obligation, end of year	$ 252,200

Net OPEB obligation reported in governmental activities	$ 194,008
Net OPEB obligation reported in business type activities funds	48,957
Net OPEB obligation reported in internal service funds	9,235
Net OPEB obligation, end of year	$ 252,200

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2016, 2015, and 2014 are as follows (in thousands):

Fiscal Year Ended	Net OPEB Obligation Beginning of Year	Annual OPEB Cost	Employer Contributions	Net OPEB Obligation End of Year	Percentage of Annual OPEB Cost Contributed
2016	$ 241,533	$ 26,120	$ 15,453	$ 252,200	59.16%
2015	$ 229,486	$ 26,465	$ 14,418	$ 241,533	54.48%
2014	$ 207,462	$ 36,295	$ 14,271	$ 229,486	39.32%

As of September 30, 2016, the funded status was as follows:

Actuarial Valuation Value	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
9/30/2016	$ -	$ 492,867	$ 492,867	- %	$ 850,011	57.98%

Note 18. Other Postemployment Benefits (continued)

The actuarial accrued liability of $492,867 includes $287,711 for active employees and $205,156 for retirees.

At September 30, 2016, membership was as follows:	Uniformed	Non-Uniformed	Total
Active participants not eligible to retire	1,555	2,622	4,177
Active participants eligible to retire	1,801	881	2,682
Total active participants	3,356	3,503	6,859

Note 19. Change in Accounting Principle

At the beginning of fiscal year 2016, the City implemented a change in accounting principle related to the accounting for sanitation activities. In prior years, the City accounted for the sanitation activities using modified accrual accounting and the General Fund. As of the beginning of fiscal year 2016, the City utilizes full accrual accounting and an enterprise fund to account for the sanitation activities. This change in accounting principle was implemented to allow the City to move forward with full-cost accounting as a way to set rates, isolate costs and improve transparency. The implementation resulted in a restatement of beginning fund balance and net position as follows:

	General Fund	Sanitation Fund
Fund Balance, 09/30/15	$ 200,102	$ -
Adjustments to fund balance/net position	(13,932)	(67,542)
Fund Balance, 09/30/15, as restated	186,170	(67,542)

	Governmental Activities	Business-Type Activities
Net Position, 09/30/15	$ (2,678,572)	$ 3,279,567
Adjustments to net position	67,542	(67,542)
Net Position, 09/30/15, as restated	(2,611,030)	3,212,025

Note 20. Subsequent Events

A. Issuance of Debt

From October 1, 2016 through May 31, 2017, the City issued $9.7 million in General Obligation commercial paper notes, with an average interest rate of 1.25 percent, and retired $10.2 million in General Obligation commercial paper notes. From October 1, 2016 through May 31, 2017, the City issued $147.2 million in Dallas Water Utilities commercial paper notes, with an average interest rate of 0.80 percent.

On December 8, 2016, the City of Dallas issued $116.85 million of General Airport Revenue Bonds, Series 2017 with an interest rate of 5.00 percent and an initial yield of 1.88 percent to 3.87 percent. The bonds mature November 1, 2036.

B. Changes in bond ratings

On October 6, 2016, Fitch Investors Service downgraded the City of Dallas' outstanding general obligation bonds from AA+ to AA.

On October 14, 2016, Moody's downgraded the City of Dallas' outstanding general obligation bonds from AA2 to AA3. On December 9, 2016, Moody's again downgraded the outstanding general obligation bonds from AA3 to A1.

On October 18, 2016, Moody's downgraded the Downtown Dallas Development Authority bonds from AA2 to A2 and the Dallas Convention Center Hotel Development Corporation bonds from A2 to A3.

On January 11, 2017, Standard & Poor's downgraded the Dallas Convention Center Hotel Development Corporation bonds from A to A-.

On February 2, 2017, Moody's downgraded the Dallas Convention Center Hotel Development Corporation bonds from A3 to Baa1.

Note 20. Subsequent Events (continued)

C. Changes to retirement benefits, assumptions, and plans

On November 8, 2016, City of Dallas voters approved changes to the Employees' Retirement Fund for employees hired on or after January 1, 2017. The changes included a reduction in the benefit multiplier from 2.75 percent to 2.5 percent, an increase in the normal retirement age from 60 to 65, an actuarially reduced benefit for retirees under age 65 whose age plus years of service equal 80, an increase in service retirement from 30 to 40 years, and elimination of the health benefit supplement. On May 9, 2017, the ERF board of trustees also voted to decrease the interest rate used for certain economic assumptions.

D. Legislative changes to the Dallas Police and Fire Pension System

On May 31, 2017, Texas Governor Greg Abbott signed into law House Bill 3158, affecting the Dallas Police and Fire Pension System ("Pension System"). House Bill 3158 primarily amends 6243a-1, Texas Revised Statutes, including amendments to provisions concerning benefits, contributions, and governance, among other things. House Bill 3158 also prohibits lump-sum distributions from individual Deferred Retirement Option Plan ("DROP") accounts, which is the board's current policy. These changes take effect September 1, 2017, contingent upon the board's continued prohibition on lump-sum distributions from DROP accounts.

Specifically, House Bill 3158 adjusts the benefit multiplier to 2.5% with a normal retirement age of 58, and a maximum income replacement of 90% for all members on a prospective basis. House Bill 3158 increases the City's contribution rate from approximately 30.5% of computation pay to the greater of 34.5% of computation or a hard-wired amount set forth in the bill based on certain hiring assumptions. Additionally, the City will contribute $13 million annually to the Pension System. The hard-wired amounts and additional $13 million are in effect through 2024, at which point the City's contribution will be 34.5% of computation pay. A member's contribution rate will increase from 8.5 percent to 13.5 percent, also calculated on computation pay. In 2024, an independent actuary will also assess the Pension System and recommend any changes needed to maintain the actuarial soundness of the Pension System. Governance changes include a new board comprised of six trustees appointed by the mayor and five by Pension System participants. Trustees must have demonstrated financial or other business experience.

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CITY OF DALLAS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
Last Two Fiscal Years
(Dollar amounts in thousands)

	2016			2015		
	ERF	DPFP - Combined Plan	DPFP - Supplemental Plan	ERF	DPFP - Combined Plan	DPFP - Supplemental Plan
Total Pension Liability						
Service cost	$ 78,020	$ 125,441	$ 36	$ 62,065	$ 131,312	$ 28
Interest	313,850	359,023	2,953	290,948	369,408	2,969
Changes of assumptions	1,238,431	908,988	(601)	292,137	-	-
Differences between expected and actual experience	(26,829)	379,461	929	(21,967)	(4,453)	336
Plan changes	-	-	-	-	(329,794)	(526)
Benefit payments, including refunds	(239,960)	(285,003)	(2,640)	(230,243)	(245,932)	(3,415)
Net change	1,363,512	1,487,910	677	392,940	(79,459)	(608)
Total Pension Liability, Beginning	4,004,055	8,048,930	42,712	3,611,115	8,128,389	43,320
Total Pension Liability, Ending [(a)]	5,367,567	9,536,840	43,389	4,004,055	8,048,930	42,712
Plan Fiduciary Net Position						
Contributions - City	50,721	114,886	2,443	45,833	109,792	1,817
Contributions - Employee	50,742	25,676	43	46,536	29,333	49
Net investment income	(53,344)	(235,338)	(1,690)	207,992	(138,893)	(517)
Benefit payments, including refunds	(239,960)	(285,003)	(2,640)	(230,243)	(245,932)	(3,415)
Administrative expense	(4,598)	(8,417)	(61)	(4,150)	(8,003)	(56)
Other changes	162	(5,875)	(43)	157	(7,361)	(51)
Net change	(196,277)	(394,071)	(1,948)	66,125	(261,064)	(2,173)
Plan Fiduciary Net Position, Beginning	3,398,485	3,074,195	21,405	3,332,360	3,335,259	23,578
Plan Fiduciary Net Position, Ending [(b)]	3,202,208	2,680,124	19,457	3,398,485	3,074,195	21,405
City's Net Pension Liability [(a) - (b)]	$ 2,165,359	$ 6,856,716	$ 23,932	$ 605,570	$ 4,974,735	$ 21,307
Plan Fiduciary Net Position as a percentage of Total Pension Liability	60%	28%	45%	85%	38%	50%
Covered-employee payroll	$ 393,186	$ 365,210	$ 725	$ 353,650	$ 383,006	$ 557
City's Net Pension Liability as a percentage of covered-employee payroll	551%	1877%	3301%	171%	1299%	3825%

CITY OF DALLAS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS
Last Ten Fiscal years
(Dollar amounts in thousands)

	2016	2015	2014
Employees Retirement Fund			
Actuarially determined contribution	$ 81,838	$ 68,100	$ 62,756
Contributions in relation to the actuarially determined contribution	$ 53,896	$ 49,135	$ 44,816
Contribution deficiency (excess)	$ 27,942	$ 18,965	$ 17,940
Covered-employee payroll	$ 389,706	$ 377,381	$ 357,887
Contributions as a percentage of covered-employee payroll	14%	13%	13%
Dallas Police and Fire Pension - Combined Plan			
Statutorily required contribution	$ 118,508	$ 113,026	$ 108,268
Contributions in relation to the statutorily required contribution	$ 118,508	$ 113,026	$ 108,268
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 432,082	$ 414,373	$ 378,000
Contributions as a percentage of covered-employee payroll	27%	27%	29%
Dallas Police and Fire Pension - Supplemental Plan			
Actuarially determined contribution	$ 3,064	$ 2,443	$ 1,817
Contributions in relation to the contractually required contribution	$ 3,064	$ 2,443	$ 1,817
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 725	$ 556	$ 521
Contributions as a percentage of covered-employee payroll	423%	439%	349%

2013	2012	2011	2010	2009	2008	2007
$ 54,289	$ 37,822	$ 32,865	$ 34,793	$ 18,995	$ 15,904	$ 18,121
$ 35,515	$ 28,917	$ 27,303	$ 27,668	$ 24,604	$ 22,893	$ 23,310
$ 18,774	$ 8,905	$ 5,562	$ 7,125	$ (5,609)	$ (6,989)	$ (5,189)
$ 336,483	$ 317,551	$ 318,408	$ 345,819	$ 374,395	$ 370,537	$ 347,868
11%	9%	9%	8%	7%	6%	7%
$ 105,753	$ 102,431	$ 106,633	$ 109,211	$ 106,868	$ 102,720	$ 96,235
$ 105,753	$ 102,431	$ 106,633	$ 109,211	$ 106,868	$ 102,720	$ 96,235
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 361,000	$ 349,000	$ 365,000	$ 367,000	$ 362,000	$ 341,000	$ 317,000
29%	29%	29%	30%	30%	30%	30%
$ 1,936	$ 1,954	$ 1,543	$ 1,444	$ 1,344	$ 1,244	$ 1,340
$ 1,936	$ 1,954	$ 1,543	$ 1,444	$ 1,344	$ 1,244	$ 1,340
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 450	$ 621	$ 886	$ 1,044	$ 1,043	$ 938	$ 866
430%	315%	174%	138%	129%	133%	155%

CITY OF DALLAS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS
Last 10 Fiscal Years

Employees Retirement Fund

Valuation date	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08	12/31/07	12/31/06
Timing	The actuarially determined contribution rate is effective October 1 after the valuation date.									
Actuarial cost method	Entry age normal.									
Amortization method	30-year open amortization period level percentage of payroll. The City ordinance authorizing the plan specfies that the rate may not change from year-to-year if the calculated rate is less than 300 basis points different from the current rate.									
Asset valuation method	5-year smoothed market value of assets.							3-year smoothed market value of assets.		
Inflation	3%									
Salary increases	3.5% to 7%, including inflation									
Discount rate	8.00%		8.25%							
Cost of Living Adjustment	The greater of (a) the percentage of change in the price index for October of the current year over October of the previous year, up to 5%, or (b) the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment, up to 5%.									
Mortality	**For actives:** Males - RP2000 Healthy Mortality Table for male employees, set forward 4 years. Females - RP2000 Healthy Mortality Table for female employees, set back 5 years. **For healthy retirees:** Males - RP2000 Healthy Mortality Table for male annuitants, projected to 2007 using mortality improvement scale AA, set forward two years. P2000 Healthy Mortality Table for female annuitants. **For all disabled lives:** RP2000 Disabled Mortality Table for male annuitants, set forward one year.					**For actives:** Males - 1994 Uninsured Pension Mortality Table for males, base table rates multiplied by 87%. Females - 1994 Uninsured Pension Mortality Table for females, base table rates multiplied by 125%. **For healthy retirees:** Males - 1994 Uninsured Pension Mortality Table for males, set forward two years. Females - 1994 Uninsured Pension Mortality Table for females, base table rates multipled by 125% for ages less than 85 and multipled by 135% for ages 85 and up. **For all disabled lives:** 1965 Railroad Retirement Board Disabled Annuitants Mortality Table (without select rates). For females, the rates are multiplied by 60%.			

Dallas Police and Fire Pension - Supplemental Plan

Valuation date	01/01/16	01/01/15	01/01/14	01/01/13	01/01/12	01/01/11	01/01/10	01/01/09	01/01/08	01/01/07
Timing	The actuarially determined contribution is due September 30 after the valuation date.									
Actuarial cost method	Entry age normal.									
Amortization method	Level percentage of payroll.									
Asset valuation method	Market value of assets.									
Inflation	2.75%	4%								
Salary increases	2.75%	4% - 9.64%, including inflation								4.3% - 10%,
Discount rate	7.25%		8.50%							
Cost of Living Adjustment	4% for members hired on or before December 31, 2006. New members hired after December 31, 2006 are not eligble for an automatic increase.									4%
Mortality	**For actives:** RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015. **For healthy retirees:** RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015. **For all disabled lives:** RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-	**For actives:** RP2000 Combined Healthy Mortality Table projected ten years beyond the valuation date using Scale AA. **For healthy retirees:** RP2000 Combined Healthy Mortality Table projected ten years beyond the valuation date using Scale AA. **For all disabled lives:** RP2000 Combined Healthy Mortality Table with a one-year set forward.				1994 Group Annuity Mortality Table for males and females, set back one year for males and females.				

CITY OF DALLAS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS (UNAUDITED)

Other Postemployment Benefits

Year Ended September 30, 2016

(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c))
9/30/2016	$ -	$ 492,867	$ 492,867	- %	$ 850,011	57.98%
9/30/2015	$ -	$ 459,643	$ 459,643	- %	$ 812,400	56.58%
9/30/2014	$ -	$ 611,397	$ 611,397	- %	$ 767,664	79.64%

The actuarial information presented is determined by an actuarial valuation and is the amount that results from applying various assumptions with regard to future employment, mortality, and the healthcare cost trend.

A re-evaluation of the Medicare Supplement plans in the 9/30/2015 actuarial valuation revealed that a significant decrease in the post-Medicare net claims cost assumption was warranted. This change of assumption caused a 28% reduction in the liability.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Community Development Fund – to account for funds received by the City of Dallas pursuant to the Community Development Act of 1974, as amended, and grant funds for community development type programs.

Health and Human Services Fund – to account for private and grant funds received for public health and human services programs.

Library Fund – to account for private and grant funds received for acquisition of library materials and expansion of library services.

Police Fund – to account for private and grant funds received for crime prevention and law enforcement programs.

Recreation Fund – to account for private and grant funds received for summer recreation and other recreation programs.

Transportation Fund – to account for private and grant funds received for transportation studies and construction.

Management Improvement Fund – to account for private and grant funds received for management productivity improvements.

Storm Water Operations Fund – to account for the administration and operational activities of the Storm Water Program. Financing is provided by a Storm Water fee.

Municipal Fund – to account for private contributions restricted to the provision of various employee and citizen municipal purposes.

General Citizen Fund – to account for private contributions restricted to the provision of various general governmental projects.

Arts and Cultural Fund – to account for private contributions restricted for the financing arts and cultural activities.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets which are not financed by Enterprise Funds, Internal Service Funds, and Trust Funds.

Neighborhood Projects – to account for construction of neighborhood facilities and paving projects.

Parks – to account for construction of parks, playgrounds, and recreational facilities.

Streets and Drainage – to account for construction of streets and storm sewers.

Buildings – to account for construction of City-owned buildings

Transportation – to account for construction of traffic signals and controls.

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs that is, for the benefit of the government or its citizenry.

Samuell Park – to account for the private donation by Dr. W.W. Samuell. The income from this fund is restricted to the operation and improvement of Samuell Park.

Grauwyler Memorial – to account for the private donation by Mrs. Emma H. Grauwyler. The income from the trust is to be used to improve and beautify Grauwyler Park.

Craddock Park – to account for the private donation by Mr. and Mrs. L. Craddock. The earnings from the trust are to be used for improving and maintaining Craddock Park.

Martin Weiss Park – to account for the private donations by Mr. and Mrs. Martin Weiss, the earnings from which are restricted to the use for further improvements of the Martin Weiss Park.

Hale Davis – to account for private donations by Hale Davis, restricted for municipal purposes.

CITY OF DALLAS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2016
(in thousands)

	Special Revenue				
	Community Development	Health and Human Services	Library	Police	Recreation
Assets					
Pooled cash and cash equivalents	$ 10,025	$ -	$ 1,892	$ 9,756	$ 20,909
Other investments, at fair value	-	-	998	-	-
Receivables:					
Notes	40,382	-	-	-	43
Special assessments- paving notes	-	-	-	-	-
Accounts	168	90	9	-	12
Accrued interest	11	1	7	15	62
Allowance for uncollectible accounts	(7,111)	-	-	-	(4)
Due from other governments	4,357	4,213	117	2,571	23
Due from other funds	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Notes receivable from other funds	-	-	-	-	-
Total assets	47,832	4,304	3,023	12,342	21,045
Liabilities, deferred inflows, and fund balances					
Liabilities					
Accrued payroll	110	150	1	48	9
Accounts payable	1,681	383	126	565	1,044
Due to other governments	-	-	-	-	-
Due to other funds	-	2,976	-	-	-
Unearned revenue	1,239	-	9	1,073	104
Construction accounts payable	-	-	-	-	-
Notes payable to other funds	-	-	-	-	5,921
Customer deposits	-	-	-	-	11
Contracts payable	-	-	-	-	-
Other liabilities	1,541	-	41	85	43
Total liabilities	4,571	3,509	177	1,771	7,132
Deferred inflows of resources					
Unavailable revenue	33,580	-	-	-	132
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	9,681	795	2,846	10,571	-
Committed	-	-	-	-	13,781
Total fund balances	9,681	795	2,846	10,571	13,781
Total liabilities, deferred inflows, and fund balance	$ 47,832	$ 4,304	$ 3,023	$ 12,342	$ 21,045

Transportation	Management Improvement	Storm Water Operations	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
$ 9,082	$ 17,486	$ 42,385	$ 25,197	$ 3,654	$ 3,156	$ 143,542
-	-	-	-	-	2,233	3,231
-	-	-	10,593	-	-	51,018
-	-	-	-	-	-	-
12,974	671	8,201	72	-	11	22,208
24	24	20	36	5	8	213
(10,092)	(45)	(4,345)	(3,118)	-	-	(24,715)
629	650	-	-	-	-	12,560
-	-	-	256	-	-	256
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,617	18,786	46,261	33,036	3,659	5,408	208,313
-	-	160	34	-	-	512
46	693	2,704	948	4	-	8,194
-	1	-	2,125	-	-	2,126
-	-	-	-	-	-	2,976
-	-	-	399	-	-	2,824
-	-	-	-	-	-	-
-	-	-	-	-	-	5,921
-	-	-	-	-	-	11
-	-	-	-	-	-	-
20	24	135	14	7	-	1,910
66	718	2,999	3,520	11	-	24,474
1,645	-	462	1,031	-	-	36,850
-	-	-	-	-	-	-
10,906	18,068	42,800	28,485	3,648	5,408	133,208
-	-	-	-	-	-	13,781
10,906	18,068	42,800	28,485	3,648	5,408	146,989
$ 12,617	$ 18,786	$ 46,261	$ 33,036	$ 3,659	$ 5,408	$ 208,313

continued

CITY OF DALLAS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2016
(in thousands)

	Capital Projects					Total Nonmajor Capital Project Funds
	Neighborhood Projects	Parks	Streets and Drainage	Building	Trans-portation	
Assets						
Pooled cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -
Other investments, at fair value	-	-	-	-	548	548
Receivables:						
Notes	12,887	-	-	1,500	-	14,387
Special assessments- paving notes	-	-	5,640	-	-	5,640
Accounts	46	-	-	-	4	50
Accrued interest	97	72	313	144	368	994
Allowance for uncollectible accounts	(10,843)	-	(5,065)	(1,500)	-	(17,408)
Due from other governments	-	1,200	-	6,785	12,517	20,502
Due from other funds	-	-	-	7,379	-	7,379
Prepaid expenses	-	-	-	-	4,086	4,086
Restricted cash and cash equivalents	70,774	53,689	235,761	65,854	260,618	686,696
Notes receivable from other funds	-	-	4,161	-	-	4,161
Total assets	72,961	54,961	240,810	80,162	278,141	727,035
Liabilities, deferred inflows, and fund balances						
Liabilities						
Accrued payroll	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds	1,195	-	-	44	-	1,239
Unearned revenue	-	178	6	4,341	39,198	43,723
Construction accounts payable	1,077	3,833	13,931	8,457	10,370	37,668
Notes payable to other funds	4,491	-	-	-	-	4,491
Customer deposits	-	-	9	-	-	9
Contracts payable	2,955	325	3,856	2,283	2,746	12,165
Other liabilities	-	-	-	-	-	-
Total liabilities	9,718	4,336	17,802	15,125	52,314	99,295
Deferred inflows of resources						
Unavailable revenue	2,045	-	560	-	-	2,605
Fund balances						
Nonspendable	-	-	4,161	-	4,086	8,247
Restricted	61,198	50,625	218,287	65,037	221,741	616,888
Committed	-	-	-	-	-	-
Total fund balances	61,198	50,625	222,448	65,037	225,827	625,135
Total liabilities, deferred inflows, and fund balance	$ 72,961	$ 54,961	$ 240,810	$ 80,162	$ 278,141	$ 727,035

CITY OF DALLAS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2016
(in thousands)

	Permanent Funds						Total Nonmajor Governmental Funds
	Samuell Park	Grauwyler Memorial	Craddock Park	Martin Weiss Park	Hale Davis	Total Permanent Funds	
Assets							
Pooled cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ 143,542
Other investments, at fair value	7,735	101	929	89	383	9,237	13,016
Receivables:							
Notes	-	-	-	-	-	-	65,405
Special assessments- paving notes	-	-	-	-	-	-	5,640
Accounts	-	-	-	-	-	-	22,258
Accrued interest	-	-	-	-	-	-	1,207
Allowance for uncollectible accounts	-	-	-	-	-	-	(42,123)
Due from other governments	-	-	-	-	-	-	33,062
Due from other funds	-	-	-	-	-	-	7,635
Prepaid expenses	-	-	-	-	-	-	4,086
Restricted cash and cash equivalents	-	-	-	-	-	-	686,696
Notes receivable from other funds	-	-	-	-	-	-	4,161
Total assets	7,735	101	929	89	383	9,237	944,585
Liabilities, deferred inflows, and fund balances							
Liabilities							
Accrued payroll	-	-	-	-	-	-	512
Accounts payable	-	-	-	-	-	-	8,194
Due to other governments	-	-	-	-	-	-	2,126
Due to other funds	-	-	-	-	-	-	4,215
Unearned revenue	-	-	-	-	-	-	46,547
Construction accounts payable	-	-	-	-	-	-	37,668
Notes payable to other funds	-	-	-	-	-	-	10,412
Customer deposits	-	-	-	-	-	-	20
Contracts payable	-	-	-	-	-	-	12,165
Other liabilities	-	-	-	-	-	-	1,910
Total liabilities	-	-	-	-	-	-	123,769
Deferred inflows of resources							
Unavailable revenue	-	-	-	-	-	-	39,455
Fund balances							
Nonspendable	7,735	101	929	89	383	9,237	17,484
Restricted	-	-	-	-	-	-	750,096
Committed	-	-	-	-	-	-	13,781
Total fund balances	7,735	101	929	89	383	9,237	781,361
Total liabilities, deferred inflows, and fund balance	$ 7,735	$ 101	$ 929	$ 89	$ 383	$ 9,237	$ 944,585

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016
(in thousands)

	Special Revenue				
	Community Development	Health and Human Services	Library	Police	Recreation
Revenues:					
Ad valorem tax	$ -	$ -	$ -	$ -	$ -
Tax increment financing, intergovernmental	-	-	-	-	-
Franchise fees	-	-	-	-	-
Intergovernmental	36,997	17,697	269	11,607	81
Service to others	3,924	4	23	-	5,857
Fines and forfeits	-	2	-	289	-
Investment income	61	7	20	76	146
Contributions and gifts	35	955	362	7	1,013
Confiscated money awards	-	-	-	3,256	-
Other revenues	2,507	-	-	-	-
Total revenues	43,524	18,665	674	15,235	7,097
Expenditures:					
Current					
General government	12,602	-	-	-	-
Public safety	105	-	-	10,953	-
Streets, street lighting, and code enforcement	595	-	-	-	-
Environmental and health services	-	18,576	-	-	-
Public works and transportation	-	-	-	-	-
Equipment and building services	-	-	-	-	-
Culture and recreation	693	-	299	-	7,591
Human services	25,285	-	-	-	-
Debt service:					
Principal	4,256	-	-	922	-
Interest and fiscal charges	662	-	-	80	253
Capital outlay	703	23	1,758	4,153	1,879
Total expenditures	44,901	18,599	2,057	16,108	9,723
Excess (deficiency) of revenues over (under) expenditures	(1,377)	66	(1,383)	(873)	(2,626)
Other financing sources (uses):					
Transfers in	100	-	-	-	1,807
Transfers out	(575)	(197)	(9)	(17)	(2)
Premium on bonds issued	-	-	-	-	-
Issuance of general obligation bonds	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Capital lease	-	-	-	-	-
Proceeds from repayment of notes receivable	6,143	-	-	-	-
Issuance of notes	-	-	-	-	-
Total other financing sources (uses)	5,668	(197)	(9)	(17)	1,805
Net change in fund balances	4,291	(131)	(1,392)	(890)	(821)
Fund balances, beginning of year	5,390	926	4,238	11,461	14,602
Fund balances, end of year	$ 9,681	$ 795	$ 2,846	$ 10,571	$ 13,781

Transportation	Management Improvement	Storm Water Operations	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
906	1,244	-	764	-	-	69,565
1,421	2,795	50,102	3,167	8	84	67,385
8,047	1,002	-	-	-	-	9,340
102	120	89	170	22	46	859
500	4	-	105	1,061	-	4,042
-	-	-	-	-	-	3,256
-	-	-	-	-	-	2,507
10,976	5,165	50,191	4,206	1,091	130	156,954
-	3,275	43,763	11,179	171	-	70,990
-	-	-	274	-	-	11,332
-	-	-	-	-	-	595
-	-	-	-	-	-	18,576
7,790	-	-	-	-	-	7,790
-	-	-	-	-	-	-
-	-	-	-	-	10	8,593
-	-	-	-	-	-	25,285
-	-	-	-	-	-	5,178
-	-	-	-	-	-	995
910	8	4,038	1,002	-	-	14,474
8,700	3,283	47,801	12,455	171	10	163,808
2,276	1,882	2,390	(8,249)	920	120	(6,854)
-	-	-	10,517	-	-	12,424
-	-	(1,440)	(193)	-	-	(2,433)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	10	-	-	-	10
-	-	-	-	-	-	-
-	-	-	-	-	-	6,143
-	-	-	-	-	-	-
-	-	(1,430)	10,324	-	-	16,144
2,276	1,882	960	2,075	920	120	9,290
8,630	16,186	41,840	26,410	2,728	5,288	137,699
$ 10,906	$ 18,068	$ 42,800	$ 28,485	$ 3,648	$ 5,408	$ 146,989

continued

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2016
(in thousands)

	Capital Projects			
	Neighborhood Projects	Parks	Streets and Drainage	Building
Revenues:				
Ad valorem tax	$ 36,728	$ -	$ -	$ -
Tax increment financing, intergovernmental	6,473	-	-	-
Franchise fees	-	-	5,086	-
Intergovernmental	-	-	-	4,445
Service to others	307	1,051	4,477	2
Fines and forfeits	-	-	-	-
Investment income	502	342	1,719	1,532
Contributions and gifts	10,313	791	4	67
Confiscated money awards	-	-	-	-
Other revenues	-	-	-	-
Total revenues	54,323	2,184	11,286	6,046
Expenditures:				
Current				
General government	47,507	-	-	4,469
Public safety	-	-	-	155
Streets, street lighting, and code enforcement	-	-	261	1,205
Environmental and health services	-	-	-	-
Public works and transportation	-	-	-	1,509
Equipment and building services	-	-	-	82
Culture and recreation	-	3,380	-	504
Human services	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	287
Capital outlay	2,295	12,324	83,504	51,096
Total expenditures	49,802	15,704	83,765	59,307
Excess (deficiency) of revenues over (under) expenditures	4,521	(13,520)	(72,479)	(53,261)
Other financing sources (uses):				
Transfers in	-	8,495	11,720	-
Transfers out	-	-	(7,000)	-
Premium on bonds issued	-	-	-	-
Issuance of general obligation bonds	13,419	-	80,056	8,990
Proceeds from sale of capital assets	-	381	6	-
Capital lease	-	-	-	24,303
Proceeds from repayment of notes receivable	-	-	-	-
Issuance of notes	-	-	5,283	7,154
Total other financing sources (uses)	13,419	8,876	90,065	40,447
Net change in fund balance	17,940	(4,644)	17,586	(12,814)
Fund balances, beginning of year	43,258	55,269	204,862	77,851
Fund balances, end of year	$ 61,198	$ 50,625	$ 222,448	$ 65,037

Trans-portation	Total Nonmajor Capital Project Funds
$ -	$ 36,728
-	6,473
-	5,086
14,776	19,221
1	5,838
-	-
1,995	6,090
-	11,175
-	-
-	-
16,772	90,611
-	51,976
-	155
-	1,466
-	-
1,508	3,017
-	82
-	3,884
-	-
-	-
874	1,161
51,971	201,190
54,353	262,931
(37,581)	(172,320)
-	20,215
-	(7,000)
31,556	31,556
89,730	192,195
-	387
-	24,303
-	-
1,323	13,760
122,609	275,416
85,028	103,096
140,799	522,039
$ 225,827	$ 625,135

continued

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2016
(in thousands)

	Permanent Funds		
	Samuell Park	Grauwyler Memorial	Craddock Park
Revenues:			
Ad valorem tax	$ -	$ -	$ -
Tax increment financing, intergovernmental	-	-	-
Franchise Fees	-	-	-
Intergovernmental	-	-	-
Service to others	-	-	-
Fines and forfeits	-	-	-
Investment income	675	6	57
Contributions and gifts	-	-	-
Confiscated money awards	-	-	-
Other revenues	-	-	-
Total revenues	675	6	57
Expenditures:			
Current			
General government	-	-	-
Public safety	-	-	-
Streets, street lighting, and code enforcement	-	-	-
Environment and health services	-	-	-
Public works and transportation	-	-	-
Equipment and building services	-	-	-
Culture and recreation	-	-	-
Human services	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	675	6	57
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(385)	-	(4)
Premium on bonds issued	-	-	-
Issuance of general obligation bonds	-	-	-
Proceeds from sale of capital assets	-	-	-
Capital lease	-	-	-
Proceeds from repayment of notes receivable	-	-	-
Issuance of notes	-	-	-
Total other financing sources (uses)	(385)	-	(4)
Net change in fund balances	290	6	53
Fund balances, beginning of year	7,445	95	876
Fund balances, end of year	$ 7,735	$ 101	$ 929

Martin Weiss Park	Hale Davis	Total Permanent Funds	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 36,728
-	-	-	6,473
-	-	-	5,086
-	-	-	88,786
-	-	-	73,223
-	-	-	9,340
5	28	771	7,720
-	-	-	15,217
-	-	-	3,256
-	-	-	2,507
5	28	771	248,336
-	-	-	122,966
-	-	-	11,487
-	-	-	2,061
-	-	-	18,576
-	-	-	10,807
-	-	-	82
-	-	-	12,477
-	-	-	25,285
-	-	-	5,178
-	-	-	2,156
-	-	-	215,664
-	-	-	426,739
5	28	771	(178,403)
-	-	-	32,639
(1)	(16)	(406)	(9,839)
-	-	-	31,556
-	-	-	192,195
-	-	-	397
-	-	-	24,303
-	-	-	6,143
-	-	-	13,760
(1)	(16)	(406)	291,154
4	12	365	112,751
85	371	8,872	668,610
$ 89	$ 383	$ 9,237	$ 781,361

NONMAJOR ENTERPRISE FUNDS

To account for operations which are financed and operated in a manner similar to private business enterprise.

Municipal Radio – to account for City-owned radio broadcast services.

Building Inspection – to account for construction inspection services within the Dallas city limits.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2016
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Pooled cash and cash equivalents	$ 1,758	$ 50,807	$ 52,565
Receivables:			
Accounts	332	143	475
Accrued interest	2	70	72
Allowance for uncollectible acccounts	(14)	-	(14)
Total current assets	2,078	51,020	53,098
Capital assets:			
Land	-	900	900
Artwork	-	-	-
Construction in progress	-	302	302
Buildings	337	-	337
Improvements other than buildings	273	-	273
Equipment	2,416	1,817	4,233
Accumulated depreciation	(2,262)	(1,817)	(4,079)
Total capital assets	764	1,202	1,966
Total assets	2,842	52,222	55,064
Deferred outflows of resources			
Deferred loss on refunding	5	32	37
Deferred outflows of resources related to pensions	3,575	52,290	55,865
Total deferred outflows of resources	3,580	52,322	55,902
Liabilities			
Current liabilities:			
Accrued payroll	8	217	225
Accounts payable	13	348	361
Compensated absences	35	1,043	1,078
Pension obligation bonds - current	34	247	281
Other liabilities	24	1,151	1,175
Unearned revenue	-	5,991	5,991
Accrued bond interest payable	5	36	41
Total current liabilities	119	9,033	9,152
Noncurrent liabilities:			
Accreted interest on pension obligation bonds	613	4,497	5,110
Pension obligation bonds	1,580	11,172	12,752
Total long-term debt	2,193	15,669	17,862
Other noncurrent liabilities			
Compensated absences	42	1,254	1,296
Other postemployment benefits	178	4,765	4,943
Net pension liability	5,461	78,828	84,289
Total other noncurrent liabilities	5,681	84,847	90,528
Total long-term liabilities	7,874	100,516	108,390
Total liabilities	7,993	109,549	117,542
Deferred inflows of resources			
Deferred inflows of resources related to pensions	80	1,140	1,220
Net position			
Net investment in capital assets	764	1,202	1,966
Unrestricted	(2,415)	(7,347)	(9,762)
Total net position (deficit)	$ (1,651)	$ (6,145)	$ (7,796)

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2016
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Operating revenues:			
Customer charges	$ 1,608	$ 33,648	$ 35,256
Other revenues	92	108	200
Total operating revenues	1,700	33,756	35,456
Operating expenses:			
Personnel services	2,069	36,615	38,684
Supplies and materials	80	1,089	1,169
Contractual and other services	687	7,452	8,139
Depreciation	61	-	61
Total operating expenses	2,897	45,156	48,053
Operating income (loss)	(1,197)	(11,400)	(12,597)
Nonoperating revenues (expenses):			
Investment income	11	354	365
Interest on bonds and notes	(112)	(832)	(944)
Total nonoperating revenues (expenses)	(101)	(478)	(579)
Income before contributions and transfers	(1,298)	(11,878)	(13,176)
Capital contributions	40	-	40
Transfers out	64	(232)	(168)
Change in net position	(1,194)	(12,110)	(13,304)
Net position, beginning of year	(457)	5,965	5,508
Net position, end of year	$ (1,651)	$ (6,145)	$ (7,796)

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2016
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from customers	$ 1,756	$ 33,947	$ 35,703
Cash payments to suppliers for goods and services	(97)	(941)	(1,038)
Cash payments to employees for services	(1,041)	(19,301)	(20,342)
Cash payments for contractual services	(687)	(7,452)	(8,139)
Other operating cash receipts (payments)	87	248	335
Net cash provided by (used in) operating activities	18	6,501	6,519
Cash flows from non capital financing activities:			
Principal paid on pension obligation bonds	(32)	(243)	(275)
Interest paid on pension obligation bonds	(103)	(782)	(885)
Transfers from other funds	64	-	64
Transfers to other funds	-	(232)	(232)
Net cash provided by (used in) non capital financing activities	(71)	(1,257)	(1,328)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(336)	-	(336)
Net cash provided by (used in) capital and related financing activities	(336)	-	(336)
Cash flows from investing activities:			
Investment income	11	339	350
Net cash provided by (used in) investing activities	11	339	350
Net increase (decrease) in cash and cash equivalents	(378)	5,583	5,205
Cash and cash equivalents, beginning of year	2,136	45,224	47,360
Cash and cash equivalents, end of year	$ 1,758	$ 50,807	$ 52,565
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ (1,197)	$ (11,400)	$ (12,597)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	61	-	61
Change in assets and liabilities			
(Increase) Decrease in accounts and other receivables	148	(9)	139
(Increase) Decrease in deferred outflows for pension contributions	(2,755)	(40,946)	(43,701)
Increase (Decrease) in accounts payable	(17)	148	131
Increase (Decrease) in accrued payroll	3	148	151
Increase (Decrease) in compensated absences	(34)	18	(16)
Increase (Decrease) in unearned revenue	-	308	308
Increase (Decrease) in other post employment benefits	(107)	308	201
Increase (Decrease) in net pension liability	3,921	57,786	61,707
Increase (Decrease) in other liabilities	(5)	140	135
Total adjustments	1,215	17,901	19,116
Net cash provided by (used in) operating activities	$ 18	$ 6,501	$ 6,519
Current Assets:			
Pooled cash and cash equivalents	$ 1,758	$ 50,807	$ 52,565
Total cash and cash equivalents end of year	$ 1,758	$ 50,807	$ 52,565
Noncash investing, capital, and financing activities:			
Capital contributions	$ 40	$ -	$ 40
Premium/discount amortization	15	107	122
Accretion on capital appreciation bonds	87	642	729

INTERNAL SERVICE FUNDS

Equipment Services Fund – to account for the cost of providing vehicles, vehicle maintenance, and fuel and lubrication to other City departments.

Communication Equipment Services Fund – to account for the cost of providing communication services to other City Departments.

Office Systems Fund – to account for the cost of providing office supplies, printing, copying, and mailing services to other City Departments.

Information Systems Fund – to account for the cost of providing data processing and programming services to other City departments.

Risk Funds – to account for the cost of providing risk financing and insurance-related activities to other City departments.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2016
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Total
Assets						
Current assets:						
Pooled cash and cash equivalents	$ 6,173	$ 2,729	$ 1,623	$ 35,388	$ 5,805	$ 51,718
Receivables:						
Accounts	2	21	12	38	23	96
Accrued interest	1	4	2	39	9	55
Inventories, at cost	2,799	173	132	-	-	3,104
Prepaid expenses	-	-	-	-	29	29
Other assets	-	-	-	-	2,045	2,045
Total current assets	8,975	2,927	1,769	35,465	7,911	57,047
Capital assets:						
Land	1,696	-	-	-	-	1,696
Buildings	2,772	1,663	-	-	-	4,435
Improvements other than buildings	285	456	-	248	-	989
Infrastructure	1,137	685	-	-	-	1,822
Equipment	94,077	15,230	210	19,933	336	129,786
Construction in progress	159	-	-	-	-	159
Accumulated depreciation	(86,118)	(16,802)	(210)	(16,790)	(336)	(120,256)
Total capital assets	14,008	1,232	-	3,391	-	18,631
Total assets	22,983	4,159	1,769	38,856	7,911	75,678
Deferred outflows of resources						
Deferred outflows of resources related to pensions	45,346	6,151	1,738	41,513	7,529	102,277
Liabilities						
Current liabilities:						
Accrued payroll	184	26	7	167	35	419
Accounts payable	2,175	428	320	6,025	2,466	11,414
Compensated absences	761	83	30	916	133	1,923
Estimated unpaid health claims	-	-	-	-	7,183	7,183
Estimated unpaid claims - general	-	-	-	-	7,468	7,468
Workers' compensation	-	-	-	-	6,519	6,519
Other liabilities	42	1	18	123	1,211	1,395
Total current liabilities	3,162	538	375	7,231	25,015	36,321
Noncurrent liabilities:						
Estimated unpaid claims - general	-	-	-	-	12,980	12,980
Workers' compensation	-	-	-	-	28,897	28,897
Compensated absences	915	100	36	1,101	160	2,312
Other postemployement benefits	4,805	356	158	2,966	950	9,235
Net pension liability	68,908	9,341	2,642	63,308	11,432	155,631
Total noncurrent liabilities	74,628	9,797	2,836	67,375	54,419	209,055
Total liabilities	77,790	10,335	3,211	74,606	79,434	245,376
Deferred inflows of resources						
Deferred inflows of resources related to pensions	1,016	137	39	945	169	2,306
Net position						
Net investment in capital assets	14,008	1,232	-	3,391	-	18,631
Unrestricted	(24,485)	(1,394)	257	1,427	(64,163)	(88,358)
Total net position (deficit)	$ (10,477)	$ (162)	$ 257	$ 4,818	$ (64,163)	$ (69,727)

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2016
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Total
Operating revenues						
Charges to other city departments	$ 51,179	$ 5,122	$ 3,860	$ 60,806	$ 97,391	$ 218,358
Charges to employees/retirees	-	-	-	-	54,442	54,442
Other revenues	172	-	156	2	287	617
Total operating revenues	51,351	5,122	4,016	60,808	152,120	273,417
Operating expenses						
Personnel services	31,313	3,938	1,144	28,068	13,435	77,898
Supplies and materials	21,679	895	1,341	1,450	166	25,531
Contractual and other services	9,780	2,163	1,783	39,549	151,082	204,357
Depreciation	3,558	125	-	368	-	4,051
Total operating expenses	66,330	7,121	4,268	69,435	164,683	311,837
Operating income (loss)	(14,979)	(1,999)	(252)	(8,627)	(12,563)	(38,420)
Nonoperating revenues (expenses):						
Investment income	7	19	7	175	77	285
Gain (loss) on property disposals	638	-	-	-	-	638
Total nonoperating revenues (expenses)	645	19	7	175	77	923
Income (loss) before transfers and contributions	(14,334)	(1,980)	(245)	(8,452)	(12,486)	(37,497)
Transfers out	(1,035)	(135)	(37)	(967)	(170)	(2,344)
Change in net position	(15,369)	(2,115)	(282)	(9,419)	(12,656)	(39,841)
Net position (deficit), beginning of year	4,892	1,953	539	14,237	(51,507)	(29,886)
Net position (deficit), end of year	$ (10,477)	$ (162)	$ 257	$ 4,818	$ (64,163)	$ (69,727)

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2016
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Total
Cash flows from operating activities:						
Cash received from customers	$ 51,179	$ 5,200	$ 3,860	$ 60,805	$ 151,833	$ 272,877
Cash payments to suppliers for goods and services	(22,126)	(555)	(2,358)	(1,777)	1,131	(25,685)
Cash payments to employees for services	(16,486)	(2,063)	(611)	(14,536)	(11,764)	(45,460)
Cash payments for contractual services	(9,780)	(2,163)	(857)	(39,549)	(147,964)	(200,313)
Other operating cash receipts (payments)	667	-	157	2	(1,078)	(252)
Net cash provided by (used in) operating activities	3,454	419	191	4,945	(7,842)	1,167
Cash flows from non capital financing activities:						
Transfers to other funds	(1,035)	(135)	(37)	(967)	(170)	(2,344)
Net cash provided by (used in) non capital financing activities	(1,035)	(135)	(37)	(967)	(170)	(2,344)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	4,348	(19)	-	(805)	-	3,524
Proceeds from sale of fixed assets	(8,660)	-	-	(1)	-	(8,661)
Net cash provided by (used in) capital and related financing activities	(4,312)	(19)	-	(806)	-	(5,137)
Cash flows from investing activities:						
Investment income	6	18	8	173	79	284
Net cash provided by (used in) investing activities	6	18	8	173	79	284
Net increase (decrease) in cash and cash equivalents	(1,887)	283	162	3,345	(7,933)	(6,030)
Cash and cash equivalents, beginning of year	8,060	2,446	1,461	32,043	13,738	57,748
Cash and cash equivalents, end of year	$ 6,173	$ 2,729	$ 1,623	$ 35,388	$ 5,805	$ 51,718
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	$ (14,979)	$ (1,999)	$ (252)	$ (8,627)	$ (12,563)	$ (38,420)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	3,558	125	-	368	-	4,051
Change in assets and liabilities						
(Increase) Decrease in accounts and other receivables	-	78	-	(1)	-	77
(Increase) Decrease in inventories	302	66	(73)	-	-	295
(Increase) Decrease in other assets	-	-	-	-	(161)	(161)
(Increase) Decrease in due from other funds	488	-	-	-	-	488
(Increase) Decrease in deferred outflows for pension contributions	(34,981)	(4,757)	(1,342)	(31,698)	(5,803)	(78,581)
Increase (Decrease) in accounts payable	(749)	274	(18)	(327)	1,297	477
Increase (Decrease) in accrued payroll	126	19	5	116	24	290
Increase (Decrease) in compensated absences	(9)	(18)	1	30	23	27
Increase (Decrease) in other post employment benefits	291	(99)	(32)	348	381	889
Increase (Decrease) in estimated unpaid health claims	-	-	-	-	470	470
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-	3,118	3,118
Increase (Decrease) in workers' compensation	-	-	-	-	(1,599)	(1,599)
Increase (Decrease) in net pension liability	49,400	6,730	1,901	44,736	8,175	110,942
Increase (Decrease) in other liabilities	7	-	1	-	(1,204)	(1,196)
Total adjustments	18,433	2,418	443	13,572	4,721	39,587
Net cash provided by (used in) operating activities	$ 3,454	$ 419	$ 191	$ 4,945	$ (7,842)	$ 1,167

FIDUCIARY FUNDS

Trust and Agency Funds – to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's Trust and Agency Funds include Pension Trust Funds and Agency Funds.

Pension Trust Funds are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The Pension Trust Funds are used to account for the assets of the City's Employees' Retirement Fund, the Dallas Police and Fire Pension System, and the Police and Fire Supplemental Pension Fund.

Agency Funds are purely custodial and do not involve measurement of results of operations.

Cash Escrow Deposit Fund – to account for cash escrow bonds collected by the municipal court.

Confiscated Money Fund – to account for property confiscated in drug violation arrests.

Disposal Deposit Fund – to account for deposits from sanitation landfill customers that have credit accounts with the City to guarantee payment of accounts.

Tax Distribution Fund – to account for the collection and distribution of ad valorem taxes for the City and the Dallas Independent School District.

Employee War and Savings Bond Fund – to account for employee payroll deductions for the purchase of savings bonds.

Deferred Compensation Fund – to account for the employees' 401k, tax-deferred compensation deductions.

Employee Benefits Fund – to account for employees' Dental, Vision, AD&D, and Dependent Life Insurance deductions and Health Maintenance Organization (HMO) employees' and City deductions. The City collects and remits premiums on behalf of the participants.

Dallas Tourism Public Improvement District (PID) Deposit Fund – to account for the collection and distribution of Tourism Public Improvement District recovery assessment fees for the Tourism PID.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS
September 30, 2016 (1)
(in thousands)

	Employees' Retirement Fund	Dallas Police & Fire Pension System	Police & Fire Supplemental Pension Fund	Total Pension Trust Funds
Assets				
Cash and cash equivalents	$ 85,936	$ 76,517	$ 556	$ 163,009
Invested securities lending collateral	301,078	93,567	679	395,324
Receivables:				
Accounts	202,491	52,550	376	255,417
Accrued interest and dividends	15,217	5,600	41	20,858
Short-term investments	-	29,771	216	29,987
Equity securities	-	436,645	3,171	439,816
Domestic equities	935,950	-	-	935,950
U.S. and foreign government fixed income securities	213,806	380,296	2,762	596,864
Domestic corporate fixed income	664,380	-	-	664,380
International equities and fixed income	761,473	-	-	761,473
Commingled index funds	109,994	-	-	109,994
Real assets	-	1,127,163	8,185	1,135,348
Private equities and venture capital funds	425,083	441,806	3,208	870,097
Alternative investments	-	392,178	2,848	395,026
Forward currency contracts	-	(386)	(3)	(389)
Prepaid expenses	-	199	1	200
Capital assets, net	-	12,104	88	12,192
Total assets	3,715,408	3,048,010	22,128	6,785,546
Liabilities				
Accounts payable	6,193	3,629	26	9,848
Payable for securities purchased	8,144	37,072	269	45,485
Securities lending collateral	301,078	93,567	679	395,324
Other liabilities	197,785	233,618	1,697	433,100
Total liabilities	513,200	367,886	2,671	883,757
Net Position				
Net investment in capital assets	-	12,104	88	12,192
Restricted for pensions	3,202,208	2,668,020	19,369	5,889,597
Total net position	$ 3,202,208	$ 2,680,124	$ 19,457	$ 5,901,789

(1) Although the City has a fiscal year-end of September 30, the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2015.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
For the Year Ended September 30, 2016 (1)
(in thousands)

	Employees' Retirement Fund	Dallas Police & Fire Pension System	Police & Fire Supplemental Pension Fund	Total Pension Trust Funds
Additions:				
Contributions				
Employer	$ 50,721	$ 114,886	$ 2,443	$ 168,050
Employee	50,742	25,676	43	76,461
Total contributions	101,463	140,562	2,486	244,511
Net investment income:				
Interest and dividends	102,712	72,887	529	176,128
Net appreciation (depreciation) in fair value of investments	(139,372)	(298,772)	(2,151)	(440,295)
Securities lending income	1,501	746	5	2,252
Less investment expenses:				
Investment management fees	(17,407)	(9,992)	(72)	(27,471)
Custody fees	(138)	-	-	(138)
Consultant fees	(340)	-	-	(340)
Securities lending management fees	(300)	(207)	(1)	(508)
Total investment expenses	(18,185)	(10,199)	(73)	(28,457)
Net investment income	(53,344)	(235,338)	(1,690)	(290,372)
Other income	162	131	1	294
Total increases	48,281	(94,645)	797	(45,567)
Deductions:				
Benefit payments	235,106	283,217	2,640	520,963
Refund of contributions	4,854	1,786	-	6,640
Interest expense	-	6,006	44	6,050
Administrative expenses	4,598	8,417	61	13,076
Total deductions	244,558	299,426	2,745	546,729
Net increase (decrease) in net position available for benefits	(196,277)	(394,071)	(1,948)	(592,296)
Net position, beginning of year	3,398,485	3,074,195	21,405	6,494,085
Net position, end of year	$ 3,202,208	$ 2,680,124	$ 19,457	$ 5,901,789

(1) Although the City has a fiscal year-end of September 30, the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2015.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended September 30, 2016
(in thousands)

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
CASH ESCROW DEPOSIT FUND				
Assets				
Cash and other assets	$ 576	$ 42	$ 363	$ 255
Liabilities				
Due to other governments and other liabilities	576	42	363	255
CONFISCATED MONEY FUND				
Assets				
Cash and other assets	5,251	1,378	5,047	1,582
Liabilities				
Other liabilities	5,251	1,378	5,047	1,582
DISPOSAL DEPOSIT FUND				
Assets				
Cash and other assets	943	-	943	-
Liabilities				
Customer deposits	943	-	943	-
TAX DISTRIBUTION FUND				
Assets				
Cash and other assets	85	1	-	86
Liabilities				
Due to other funds and other liabilities	85	1	-	86
EMPLOYEE WAR AND SAVINGS BOND FUND				
Assets				
Cash and other assets	2	-	-	2
Liabilities				
Other liabilities	2	-	-	2
DEFERRED COMPENSATION FUND				
Assets				
Investments and other assets	480	43,057	43,470	67
Liabilities				
Due to employees - deferred compensation and other liabilities	480	43,057	43,470	67
EMPLOYEE BENEFITS FUND				
Assets				
Cash	120	13,882	13,882	120
Liabilities				
Other liabilities	120	13,882	13,882	120
DALLAS TOURISM PID DEPOSIT FUND				
Assets				
Cash	991	14,778	14,530	1,239
Liabilities				
Other liabilities	991	14,778	14,530	1,239
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash and other assets	8,448	73,138	78,235	3,351
Liabilities				
Due to other funds and other liabilities	$ 8,448	$ 73,138	$ 78,235	$ 3,351

DEBT SERVICE FUND

The City maintains one fund to account for payment of principal and interest on the following general obligation debt: bonds, certificates of obligation, and equipment acquisition notes.

CITY OF DALLAS, TEXAS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended September 30, 2016
(in thousands)

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget-- Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem tax	$ 230,780	$ 230,780	$ 230,780	$ -
"Build America Bonds" Federal Subsidy	1,372	1,372	1,401	29
Investment income	-	-	220	220
Total revenues	232,152	232,152	232,401	249
Expenditures:				
Principal	145,521	145,521	141,255	4,266
Interest and fiscal charges	98,881	98,345	89,389	8,956
Other expenditures	10,923	10,923	10,711	212
Total expenditures	255,325	254,789	241,355	13,434
Deficiency of revenues over expenditures	(23,173)	(22,637)	(8,954)	13,683
Other financing sources:				
Transfers	18,994	18,994	6,233	(12,761)
General obligation bonds and premium issued	-	-	2,880	2,880
Payment to refunded bond escrow agent	-	-	(2,880)	(2,880)
Total other financing sources	18,994	18,994	6,233	(12,761)
Deficiency of revenues and other financing sources over expenditures	(4,179)	(3,643)	(2,721)	922
Fund balance, beginning of year	10,999	10,999	10,999	-
Fund balance, end of year	$ 6,820	$ 7,356	$ 8,278	$ 922

Adjustments necessary to convert the deficiency of revenues and other sources under expenditures and other uses on the budget basis to a GAAP basis are provided below:

Deficiency of revenues and other financing sources over expenditures and other uses-GAAP basis	$ (2,721)

DISCRETELY PRESENTED COMPONENT UNITS

Housing Finance Corporation – organized to issue tax-exempt mortgage revenue bonds to encourage low to moderate income citizen opportunities for single family residential home ownership.

Housing Acquisition and Development Corporation – organized solely and exclusively for the public purpose of providing safe, affordable housing facilities which are incidental thereto for the benefit of low and moderate-income persons.

Dallas Development Fund – organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities.

Downtown Dallas Development Authority – to account for tax increment financing revenue bonds issued to finance major improvements by developers on behalf of the City.

North Oak Cliff Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, and the arts, entertainment, economic development, safety, the public welfare in the district, and educational scholarships for college-bound students residing in or out of the District.

Cypress Waters Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the District.

Dallas Convention Center Hotel Development Corporation – organized to promote the development of the geographic area of the City included at or in the vicinity of the Dallas Convention Center, in furtherance of the promotion, development, encouragement and maintenance of employment, commerce, convention and meeting activity, tourism, and economic development in the City, including specifically, without limitation, the development and financing of a convention center hotel to be located within 1,000 feet of the Dallas Convention Center.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
As of September 30, 2016
(in thousands)

	Governmental-type Activities Component Units							Business-Type Activities
	Housing Finance Corporation *	Housing Acquisition and Development Corporation	Dallas Development Fund	Downtown Dallas Development Authority	North Oak Cliff Municipal Management District	Cypress Waters Municipal Management District	Total Governmental	Dallas Convention Center Hotel Development Corporation *
Assets:								
Current assets:								
Cash and cash equivalents	$ 486	$ 358	$ 2,328	$ 16,629	$ 3	$ -	$ 19,804	$ 63,936
Investments, at fair value	3,402	-	11	-	-	-	3,413	-
Receivables	712	20	170	-	-	-	902	8,912
Inventory	-	-	-	-	-	-	-	503
Prepaid expenses	7	-	-	-	-	-	7	762
Land held for resale	-	831	-	-	-	-	831	-
Franchise fee (net of accumulated amortization)	-	-	-	-	-	-	-	29
Restricted assets:								
Cash and cash equivalents	-	-	-	7,957	-	-	7,957	27,259
Investments, at fair value	-	-	-	-	-	-	-	37,052
Capital assets:								
Buildings	1,958	-	-	-	-	-	1,958	330,732
Furniture, fixtures, and equipment	98	-	-	-	-	-	98	42,093
Land	509	-	-	-	-	-	509	27,511
Construction in progress	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	(281)	-	-	-	-	-	(281)	(54,988)
Total assets	6,891	1,209	2,509	24,586	3	-	35,198	483,801
Liabilities:								
Accrued payroll	-	-	-	-	-	-	-	1,209
Accounts payable	106	25	112	-	2	-	245	1,750
Accrued expenses	-	-	-	-	-	-	-	2,091
Accrued taxes payable	-	-	-	-	-	-	-	797
Unearned revenue	-	-	-	-	-	-	-	5,143
Accrued interest payable	-	-	-	156	-	-	156	15,626
Accounts payable Omni	-	-	-	-	-	-	-	621
Other liabilities	2	-	-	-	-	305	307	434
Long-term liabilities:								
Due within one year	-	-	-	2,769	-	-	2,769	5,990
Due in more than one year	-	-	-	94,037	-	-	94,037	481,780
Total liabilities	108	25	112	96,962	2	305	97,514	515,441
Deferred inflows of resources	75	-	-	-	-	-	75	24
Net position:								
Net investment in capital assets	2,284	-	-	-	-	-	2,284	(57,088)
Restricted for debt service	-	667	-	7,956	-	-	8,623	-
Unrestricted	4,424	517	2,397	(80,332)	1	(305)	(73,298)	25,424
Total net position	$ 6,708	$ 1,184	$ 2,397	$ (72,376)	$ 1	$ (305)	$ (62,391)	$ (31,664)

* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2015.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended September 30, 2016
(in thousands)

	Governmental-type Activities Component Units							Business-Type Activities
	Housing Finance Corporation *	Housing Acquisition and Development Corporation	Dallas Development Fund	Downtown Dallas Development Authority	North Oak Cliff Municipal Management District	Cypress Waters Municipal Management District	Total	Dallas Convention Center Hotel Development Corporation *
Operating revenues:								
Charges for services	$ 913	$ -	$ 1,672	$ -	$ -	$ -	$ 2,585	$ 103,913
Other revenues	-	1,111	-	-	-	-	1,111	-
Intergovernmental	-	-	-	16,796	-	-	16,796	-
Total operating revenues	913	1,111	1,672	16,796	-	-	20,492	103,913
Operating expenses:							-	
Personnel services	164	299	-	-	-	-	463	-
Contractual and other services	364	681	563	10,215	3	20	11,846	68,932
Interest and service charges	-	-	-	5,657	-	-	5,657	-
Depreciation and amortization	80	-	-	-	-	-	80	13,426
Total operating expenses	608	980	563	15,872	3	20	18,046	82,358
Operating income	305	131	1,109	924	(3)	(20)	- 2,446	21,555
Nonoperating revenues(expenses):								
Interest and dividends	17	-	-	2	-	-	19	1,118
Interest on bonds	-	-	-	-	-	-	-	(32,027)
City tax revenue	-	-	-	-	-	-	-	9,207
Other income	-	(58)	-	-	2	-	(56)	11,066
Total nonoperating revenues(expenses)	17	(58)	-	2	2	-	(37)	(10,636)
Change in net position	322	73	1,109	926	(1)	(20)	- 2,409	10,919
Net position, beginning of year	6,386	1,111	1,288	(73,302)	2	(285)	- (64,800)	(42,583)
Net position, end of year	$ 6,708	$ 1,184	$ 2,397	$ (72,376)	$ 1	$ (305)	$ (62,391)	$ (31,664)

* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2015.

CITY OF DALLAS, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY SOURCE
As of September 30, 2016
(in thousands)

Governmental funds capital assets:		
Land	$	490,857
Construction in progress		342,557
Buildings		1,305,444
Improvements other than buildings		666,688
Equipment		536,139
Infrastructure		2,446,927
Artwork		49,501
Total investment in governmental funds capital assets	$	5,838,113
Investments in governmental funds capital assets by source:		
General fund	$	214,569
Other trust and agency funds - municipality		124,281
Special revenue fund		181,692
Capital projects fund		4,407,826
Transfer from enterprise funds		405,338
Gifts and forfeitures		504,407
	$	5,838,113

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF DALLAS, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
As of September 30, 2016
(in thousands)

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other than Buildings	Equipment	Infrastructure	Artwork	Total
General government								
City attorney	$ -	$ -	$ -	$ 8	$ 344	$ -	$ -	$ 352
City auditor	-	-	-	-	112	-	-	112
Office of financial services	-	-	4	1,419	43,221	1,491	-	46,135
Municipal court	-	-	826	-	3,513	30	-	4,369
City secretary	-	-	-	-	119	-	-	119
Civil service	-	-	-	-	118	-	-	118
Planning and development	24,282	-	33,699	34,324	19,286	81,307	-	192,898
Employee retirement	-	-	-	-	13	-	-	13
Equipment, communications and information services	-	-	22,055	2,587	96,329	12,259	-	133,230
Human resources	-	-	-	-	5,653	-	-	5,653
International affairs	-	-	-	-	28	-	-	28
Mayor and council	-	-	-	-	212	-	-	212
Police and fire pension	-	-	-	-	30	-	-	30
Public safety								
Fire	3,493	-	26,939	52	96,069	21	-	126,574
Police	9,329	-	94,018	50	33,373	3,181	-	139,951
Public market	4,771	-	4,355	515	199	741	-	10,581
Streets, street lighting, and code enforcement	49,595	-	5,843	1,819	35,165	375,318	-	467,740
Environmental and health services	3,738	-	7,234	866	905	478	-	13,221
Public works and transportation	208,443	-	584,964	72,425	56,117	1,837,548	512	2,760,009
Culture and recreation	149,810	-	412,567	551,366	22,020	30,270	48,955	1,214,988
Library	1,178	-	63,255	29	117,010	348	-	181,820
Housing	6,787	-	9,945	1,228	97	8,566	34	26,657
Unallocated - primarily assets acquired prior to 1977	29,431	-	39,740	-	6,206	95,369	-	170,746
Construction in progress	-	342,557	-	-	-	-	-	342,557
Total capital assets of governmental funds	$ 490,857	$ 342,557	$ 1,305,444	$ 666,688	$ 536,139	$ 2,446,927	$ 49,501	$ 5,838,113

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF DALLAS, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
As of September 30, 2016
(in thousands)

Function and Activity	Governmental Funds Capital Assets October 1, 2015 (Restated)	Additions	Dispositions	Governmental Funds Capital Assets September 30, 2016
General government				
City attorney	$ 352	$ -	$ -	$ 352
City auditor	112	-	-	112
Office of financial services	43,689	2,446	-	46,135
Muncipal court	4,065	304	-	4,369
City secretary	119	-	-	119
Civil service	118	-	-	118
Planning and development	181,741	11,157	-	192,898
Employee retirement	13	-	-	13
Equipment, communications, and information services	117,872	16,737	1,379	133,230
Human resources	5,653	-	-	5,653
International affairs	28	-	-	28
Mayor and council	212	-	-	212
Police and fire pension	30	-	-	30
Public safety				
Fire	124,235	6,504	4,165	126,574
Police	135,790	4,199	38	139,951
Public market	10,581	-	-	10,581
Streets and code enforcement	449,775	18,612	647	467,740
Environmental and health services	13,221	-	-	13,221
Public works and transportation	2,688,372	72,727	1,090	2,760,009
Culture and recreation	1,206,623	8,662	297	1,214,988
Library	178,122	3,698	-	181,820
Housing	26,127	530	-	26,657
Unallocated - primarily assets acquired prior to 1977	170,746	-	-	170,746
Construction in progress	249,724	188,397	95,564	342,557
Total capital assets used in the operation of governmental funds	$ 5,607,320	$ 333,973	$ 103,180	$ 5,838,113

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.

"Dallas, the City that works:
diverse, vibrant, and progressive."

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

The City of Dallas comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's health.

		Tables
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-4
Revenue Capacity	These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.	5-9
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	10-14
Demographic & Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	15-16
Operating information	These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	17-19

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

CITY OF DALLAS, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)
(in thousands)

	2007	2008	2009	2010
Governmental Activities				
Net investment in capital assets	$ 1,568,170	$ 1,657,571	$ 1,699,281	$ 2,128,770
Restricted	70,916	60,532	46,353	73,825
Unrestricted	(113,329)	(178,079)	(207,135)	(266,121)
Total Governmental Activities net position	1,525,757	1,540,024	1,538,499	1,936,474
Business-Type Activities				
Net investment in capital assets	2,276,773	2,357,750	2,452,779	2,533,106
Restricted for debt service	181,481	194,824	205,547	184,874
Unrestricted	205,506	221,785	185,917	195,273
Total Business-Type Activities net position	2,663,760	2,774,359	2,844,243	2,913,253
Primary government				
Net investment in capital assets	3,844,943	4,015,321	4,152,060	4,661,876
Restricted	252,397	255,356	251,900	258,699
Unrestricted	92,177	43,706	(21,218)	(70,848)
Total primary government net position	$ 4,189,517	$ 4,314,383	$ 4,382,742	$ 4,849,727

(1) In fiscal year 2016, Sanitation was reclassified from governmental activities to business-type activities.

*Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent year's Comprehensive Annual Financial Report, Management Discussion and Analysis

Table 1

2011	2012	2013	2014	2015	2016 (1)
$ 2,144,338	$ 2,201,645	$ 2,241,628	$ 2,406,821	$ 2,520,158	$ 2,640,551
188,549	159,022	216,280	144,269	195,210	169,538
(270,121)	(279,979)	(294,490)	(306,474)	(5,393,940)	(6,163,516)
2,062,766	2,080,688	2,163,418	2,244,616	(2,678,572)	(3,353,427)
2,586,775	2,648,976	2,738,208	2,770,931	2,778,732	2,917,498
172,515	214,249	212,472	223,230	261,399	288,970
273,611	290,977	292,801	362,862	239,436	1,946
3,032,901	3,154,202	3,243,481	3,357,023	3,279,567	3,208,414
4,731,113	4,850,621	4,979,836	5,177,752	5,298,890	5,558,049
361,064	373,271	428,752	367,499	456,609	458,508
3,490	10,998	(1,689)	56,388	(5,154,504)	(6,161,570)
$ 5,095,667	$ 5,234,890	$ 5,406,899	$ 5,601,639	$ 600,995	$ (145,013)

CITY OF DALLAS, TEXAS
CHANGE IN NET POSITION
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)
(in thousands)

Expenses	2007	2008	2009	2010
Governmental Activities:				
General government	$ 164,498	$ 188,879	$ 211,380	$ 193,144
Public safety	612,318	659,915	688,891	658,225
Streets, lighting, sanitation, code enforcement (2)	166,335	176,503	159,930	156,411
Environmental and health services	29,099	33,230	37,590	12,128
Public works and transportation	60,490	70,931	40,749	52,285
Equipment and building services	41,265	31,047	21,001	27,194
Cultural and recreation	127,043	146,418	158,040	139,581
Housing	936	1,706	1,270	17,298
Human services	26,785	25,547	32,384	34,018
Interest on long-term debt	87,320	89,525	93,412	90,822
Total Governmental Activities	1,316,089	1,423,701	1,444,647	1,381,106
Business-Type Activities:				
Dallas water utilities	360,886	396,771	425,165	425,750
Convention center	83,429	84,608	81,926	77,056
Airport revenues	44,702	43,144	46,808	43,760
Sanitation (2)	-	-	-	-
Municipal radio	3,466	3,313	2,976	3,031
Building inspection	23,897	24,018	21,638	16,659
Total Business-Type Activities	516,380	551,854	578,513	566,256
Total primary government expenses	1,832,469	1,975,555	2,023,160	1,947,362
Program revenues				
Governmental Activities:				
Charges for services				
General government	66,803	80,647	88,636	94,646
Public safety	32,451	52,475	68,455	75,160
Streets, lighting, sanitation, code (2)	94,223	99,803	88,010	98,043
Environmental and health services	5,856	5,895	5,946	-
Public works and transportation	23,567	11,977	9,968	10,004
Equipment and building services	1,007	994	1,707	561
Cultural and recreation	29,894	15,499	17,950	15,182
Housing	807	40	868	637
Human Services	21,339	14	21	13,197
Operating grants and contributions	71,041	71,772	79,204	104,839
Capital grants and contributions	2,912	15,821	4,986	342,031
Total Governmental Activities	349,900	354,937	365,751	754,300
Business-Type Activities:				
Charges for services				
Dallas water utilities	411,998	451,408	467,929	467,527
Convention center	22,473	20,392	16,754	19,104
Airport revenues	38,581	48,224	51,836	59,229
Sanitation (2)	-	-	-	-
Municipal radio	3,675	3,227	2,640	2,887
Building inspection	23,261	21,819	15,609	18,469
Operating grants and contributions	-	-	-	-
Capital grants and contributions	33,467	29,779	26,195	30,519
Total Business-Type Activities	533,455	574,849	580,963	597,735
Total primary government program revenues	883,355	929,786	946,714	1,352,035
Net (Expense) Revenue				
Governmental Activities	(966,189)	(1,068,764)	(1,078,896)	(626,806)
Business-Type Activities	17,075	22,995	2,450	31,479
Total primary government net expense	(949,114)	(1,045,769)	(1,076,446)	(595,327)
General Revenues:				
Taxes:				
Ad valorem tax	553,033	623,625	662,433	637,304
Sales taxes	224,078	231,108	208,169	205,933
Franchise taxes	118,745	127,551	124,891	123,721
Tax increment financing, intergovernmental	6,090	8,857	10,764	6,739
Interest on investments	62,776	47,644	35,762	9,045
Miscellaneous	30,755	41,273	27,063	20,531
Transfer	3,302	2,973	8,289	21,508
Total general revenues	998,779	1,083,031	1,077,371	1,024,781
Business-Type Activities:				
Hotel occupancy tax	49,641	49,235	41,969	42,114
Motor vehicle tax	4,495	4,471	4,171	4,373
Alcohol beverage tax	7,569	7,856	7,533	7,398
Investment Income	39,970	27,720	20,909	4,097
Miscellaneous	7,014	1,295	1,141	1,057
Transfer	(3,302)	(2,973)	(8,289)	(21,508)
Special item	-	-	-	-
Total Business-Type Activities	105,387	87,604	67,434	37,531
Change in Net Position				
Governmental Activities	32,590	14,267	(1,525)	397,975
Business-Type Activities	122,462	110,599	69,884	69,010
Total primary government	$ 155,052	$ 124,866	$ 68,359	$ 466,985

*Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent year's Comprehensive Annual Financial Report, Management Discussion and Analysis

(1) Fiscal year 2014 beginning net position was not restated because information was not available.

(2) In fiscal year 2016, Sanitation was reclassified from governmental activities to business-type activities.

Table 2

2011	2012	2013	2014 (1)	2015	2016
$ 180,347	$ 190,927	$ 191,643	$ 263,147	$ 220,164	$ 339,671
640,010	690,906	684,636	684,808	594,747	1,345,492
175,984	177,005	194,248	192,981	213,665	195,187
23,304	20,689	19,026	16,747	18,067	19,431
59,553	120,640	66,755	62,168	74,130	88,141
26,848	22,999	28,259	35,369	36,917	50,829
128,323	119,466	135,934	142,519	160,527	222,921
7,849	10,230	12,998	10,367	17,529	32,694
32,911	25,640	21,995	24,006	20,451	26,789
105,350	84,824	74,193	75,133	63,404	80,890
1,380,479	1,463,326	1,429,687	1,507,245	1,419,601	2,402,045
431,565	429,313	436,858	429,034	499,585	586,505
80,532	80,412	93,115	90,377	92,661	105,869
63,219	65,526	77,516	91,807	103,950	137,143
-	-	-	-	-	116,152
3,123	2,390	2,312	2,047	2,254	3,009
16,793	17,579	21,021	23,647	28,704	45,988
595,232	595,220	630,822	636,912	727,154	994,666
1,975,711	2,058,546	2,060,509	2,144,157	2,146,755	3,396,711
100,470	92,813	101,896	100,673	104,237	115,901
59,955	64,196	74,746	59,061	74,126	102,308
103,828	108,354	102,117	102,621	109,391	18,984
4	-	-	-	-	71
10,356	8,113	13,361	13,143	5,572	6,551
571	911	807	882	979	1,157
16,286	16,862	19,503	21,021	19,972	21,467
2,557	1,899	3,488	2,234	1,994	2,973
9,333	1,728	142	146	118	122
118,369	112,654	77,534	70,935	77,038	75,560
32,267	13,823	39,035	85,718	59,712	31,092
453,996	421,353	432,629	456,434	453,139	376,186
524,281	527,374	551,498	564,546	573,327	607,329
20,640	28,727	27,936	24,207	28,211	32,858
64,456	64,052	70,553	84,426	109,777	123,757
-	-	-	-	-	102,283
3,008	2,398	1,920	1,908	1,975	1,608
23,107	23,429	26,867	28,208	31,378	33,648
-	606	5,192	5,699	5,937	6,343
33,754	21,734	53,977	16,586	21,135	37,317
669,246	668,320	737,943	725,580	771,740	945,143
1,123,242	1,089,673	1,170,572	1,182,014	1,224,879	1,321,329
(926,483)	(1,041,973)	(997,058)	(1,050,811)	(966,462)	(2,025,859)
74,014	73,100	107,121	88,668	44,586	(49,523)
(852,469)	(968,873)	(889,937)	(962,143)	(921,876)	(2,075,382)
659,400	649,459	659,693	687,573	735,913	791,420
217,148	231,327	243,697	257,467	275,250	285,669
128,757	129,508	131,009	136,951	132,719	140,184
6,601	6,172	6,937	4,108	4,892	6,473
6,830	6,469	2,526	2,667	7,550	10,089
18,252	17,558	14,448	11,235	43,588	16,771
15,787	19,402	21,478	32,008	23,120	32,856
1,052,775	1,059,895	1,079,788	1,132,009	1,223,032	1,283,462
44,969	40,047	45,182	50,374	53,931	59,225
3,470	-	-	-	-	-
7,656	6,728	7,648	10,256	11,247	12,058
4,439	3,626	1,964	2,416	5,901	6,786
887	866	908	208	314	699
(15,787)	(19,402)	(21,478)	(32,008)	(23,120)	(32,856)
-	(13,664)	(22,066)	(6,372)	-	-
45,634	18,201	12,158	24,874	48,273	45,912
126,292	17,922	82,730	81,198	256,570	(742,397)
119,648	91,301	119,279	113,542	92,859	(3,611)
$ 245,940	$ 109,223	$ 202,009	$ 194,740	$ 349,429	$ (746,008)

CITY OF DALLAS, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)
(in thousands)

	2007	2008	2009	2010
General Fund				
Nonspendable	$ 6,020	$ 7,904	$ 9,612	$ 9,034
Restricted	19,902	19,692	4,253	2,599
Committed	2,660	2,459	2,233	1,988
Assigned	42,262	25,036	18,111	19,201
Unassigned	62,858	63,247	69,789	59,150
Total General Fund	133,702	118,338	103,998	91,972
All Other Governmental Funds				
Nonspendable	15,477	12,504	12,054	12,538
Restricted	781,779	882,170	893,870	793,287
Committed	11,208	14,915	15,544	13,994
Total All Other Governmental Funds	808,464	909,589	921,468	819,819
Total all Governmental Funds	$ 942,166	$ 1,027,927	$ 1,025,466	$ 911,791

(1) In fiscal year 2016, Sanitation was reclassifed from governmental funds to enterprise funds.

Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent years' Comprehensive Annual Financial Report, notes to the financial statements

Table 3

2011	2012	2013	2014	2015	2016 (1)
$ 8,515	$ 9,289	$ 9,324	$ 10,044	$ 9,894	$ 10,659
7,431	11,431	8,506	11,236	8,485	9,593
1,740	1,490	1,250	1,250	10,570	1,250
20,446	25,621	17,086	28,905	29,603	15,836
83,289	101,205	120,839	129,239	141,550	153,693
121,421	149,036	157,005	180,674	200,102	191,031
11,974	13,116	13,647	13,885	17,119	17,484
668,328	521,775	546,308	367,619	650,698	761,184
10,748	11,540	14,406	14,541	14,602	13,781
691,050	546,431	574,361	396,045	682,419	792,449
$ 812,471	$ 695,467	$ 731,366	$ 576,719	$ 882,521	$ 983,480

CITY OF DALLAS, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)
(in thousands)

	2007	2008	2009	2010
REVENUES:				
Ad valorem taxes	$ 551,476	$ 619,207	$ 658,195	$ 643,517
Tax increment financing, intergovernmental	5,714	8,857	-	6,739
Sales taxes	224,078	231,108	208,169	205,933
Franchise fees	118,745	127,551	124,891	123,721
Licenses and permits	3,028	3,696	3,569	5,349
Intergovernmental	73,953	76,779	94,954	114,928
Service to others	213,951	196,787	215,197	230,373
Fines and forfeitures	51,378	37,876	37,774	41,364
Investment income	60,659	46,440	34,996	8,962
Contributions and gifts	3,610	13,526	6,988	5,824
Confiscated money awards	2,788	2,924	2,101	3,758
Other revenues	17,970	17,596	8,468	4,676
Total revenues	1,327,350	1,382,347	1,395,302	1,395,144
EXPENDITURES:				
Current:				
General government	159,819	158,125	178,832	177,777
Public safety	575,215	611,754	629,199	640,205
Streets, street lighting, and code enforcement	152,178	158,997	149,060	149,969
Environmental and health services	27,938	34,057	37,639	20,009
Public works and transportation	21,928	18,766	15,452	13,803
Equipment and building services	34,352	23,331	12,280	21,260
Culture and recreation	109,995	124,750	124,073	107,140
Housing	834	1,487	1,303	8,257
Human services	25,797	24,593	28,991	32,819
Debt Service:				
Principal	123,179	141,780	150,909	202,748
Interest and fiscal charges	64,495	83,410	96,037	89,580
Payment to refunded bond escrow agent	-	-	-	-
Capital outlay	199,146	331,020	279,211	230,864
Total expenditures	1,494,876	1,712,070	1,702,986	1,694,431
Excess(deficiency) of revenues over expenditures	(167,526)	(329,723)	(307,684)	(299,287)
OTHER FINANCING SOURCES(USES):				
Transfers in	57,083	37,017	85,603	72,376
Transfers out	(53,192)	(31,762)	(72,925)	(46,244)
Proceeds from sale of capital assets	9,509	9,240	33,762	5,943
Premium on debt issued	13,690	17,496	7,945	32,032
Issuance of long-term debt	368,431	387,034	250,838	303,686
Payment to refunded bond escrow agent	-	(74,151)	-	(182,181)
Proceeds from repayment of notes receivable	-	-	-	-
Refunding bonds issued	-	70,610	-	-
Total other financing sources(uses)	395,521	415,484	305,223	185,612
Net change in fund balance	$ 227,995	$ 85,761	$ (2,461)	$ (113,675)
Debt service as a percentage of noncapital expenditures	14.53%	16.31%	17.34%	19.97%

(1) In fiscal year 2016, Sanitation was reclassifed from governmental funds to enterprise funds.

*Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent years' Comprehensive Annual Financial Report, notes to the financial statements.

Table 4

2011	2012	2013	2014	2015	2016 (1)
$ 659,793	$ 650,701	$ 660,496	$ 687,891	$ 734,885	$ 791,087
6,601	6,172	6,937	4,108	4,892	6,473
217,148	231,327	243,697	257,467	275,250	285,669
128,757	129,508	131,009	136,951	132,719	140,184
5,798	6,185	6,271	6,232	6,047	6,232
128,400	118,042	102,879	99,326	87,633	98,329
232,350	224,869	236,911	255,997	261,685	182,959
38,781	36,336	35,525	34,079	34,879	39,262
6,664	6,350	2,454	2,542	7,235	9,804
22,236	8,555	19,367	32,057	25,848	15,270
1,784	2,883	2,253	3,493	4,764	3,256
5,705	4,764	3,215	7,671	9,401	12,640
1,454,017	1,425,692	1,451,014	1,527,814	1,585,238	1,591,165
162,471	170,268	172,910	227,195	203,780	224,342
622,299	623,260	643,510	656,941	685,444	700,430
159,052	157,829	165,875	175,853	186,631	129,472
23,419	20,623	18,629	16,662	17,757	18,576
15,681	20,336	28,548	19,467	17,257	18,046
19,827	17,406	21,290	25,648	23,439	24,375
105,253	101,776	110,676	120,198	129,866	140,566
7,249	8,327	9,499	10,290	13,551	11,932
33,035	26,677	22,747	20,741	20,440	25,285
152,193	154,600	147,293	147,177	168,962	165,234
99,080	88,608	78,611	79,256	84,543	93,109
-	-	3,204	-	-	2,880
207,362	237,055	240,196	265,262	204,012	228,726
1,606,921	1,626,765	1,662,988	1,764,690	1,755,682	1,782,973
(152,904)	(201,073)	(211,974)	(236,876)	(170,444)	(191,808)
42,946	48,093	38,508	57,022	41,053	54,465
(21,498)	(23,330)	(14,178)	(18,647)	(15,357)	(19,265)
10,662	8,157	17,427	2,238	32,976	610
21,613	3,261	69,304	-	95,392	31,556
159,816	47,888	517,671	41,616	388,895	230,310
(217,974)	-	(380,859)	-	(271,433)	-
-	-	-	-	-	6,143
58,019	-	-	-	204,720	2,880
53,584	84,069	247,873	82,229	476,246	306,699
$ (99,320)	$ (117,004)	$ 35,899	$ (154,647)	$ 305,802	$ 114,891
17.95%	17.50%	15.88%	15.10%	16.34%	16.62%

Table 5

CITY OF DALLAS, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years (Unaudited)
(in thousands)

Fiscal Year	Real Property Estimated Market Value [2]	Personal Property Estimated Market Value [2]	Less: Tax-Exempt Property [2]	Total Taxable Assessed Value [1] [4]	Total Direct Tax Rate [3]
2007	$ 84,505,792	$ 11,694,227	$ (20,075,828)	$ 76,124,191	0.7292
2008	91,914,767	14,177,424	(21,565,257)	84,526,934	0.7479
2009	100,983,132	14,859,528	(25,364,727)	90,477,933	0.7479
2010	97,533,425	15,055,400	(25,324,730)	87,264,095	0.7479
2011	94,008,753	13,706,221	(24,289,495)	83,425,479	0.7970
2012	92,312,007	13,741,870	(24,060,131)	81,993,746	0.7970
2013	94,522,089	14,203,657	(25,044,024)	83,681,722	0.7970
2014	98,764,424	14,903,530	(26,416,432)	87,251,522	0.7970
2015	106,519,690	14,900,052	(28,281,532)	93,138,210	0.7970
2016	115,476,547	15,323,489	(30,481,099)	100,318,937	0.7970

Notes:

[1] Total Taxable Assessed Value represents original certified taxable value determined by the Dallas, Collin, Denton, and Rockwall Central Appraisal District.

[2] Values for each fiscal year reflect the tax rolls of the previous year (i.e., 2016 fiscal year reflects 2015 tax roll). See Note 1 in the Notes to the Financial Statements for more information.

[3] Per $100 of valuation.

[4] Exemptions are granted by the City within the constraints of Texas Constitutional law SC 5.

Source: Dallas Central Appraisal District

Table 6

CITY OF DALLAS, TEXAS
CITY TAX RATE DISTRIBUTION
Last Ten Fiscal Years (Unaudited)
(Per $100 of Assessed Value)
(in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund	$ 0.5448	$ 0.5196	$ 0.5230	$ 0.4918	$ 0.5324	$ 0.5379	$ 0.5439	$ 0.5601	$ 0.5646	$ 0.5646
Debt Service Fund	0.1844	0.2283	0.2249	0.2561	0.2646	0.2591	0.2531	0.2369	0.2324	0.2324
Total City Tax Rate	$ 0.7292	$ 0.7479	$ 0.7479	$ 0.7479	$ 0.7970	$ 0.7970	$ 0.7970	$ 0.7970	$ 0.7970	$ 0.7970

Source: Dallas Central Appraisal District

CITY OF DALLAS, TEXAS
PROPERTY TAX RATES - ALL DIRECT AND OVERALAPPING TAX RATES
(PER $100 OF ASSESSED VALUE)
Last Ten Fiscal Years (Unaudited)

	City Direct Rates [1]		Overlapping Rates [2]					
Fiscal Year	Operating General Rates	General Obligation Debt Service	Dallas County	Dallas County Community College District	Dallas Independent School District	Dallas County School Equalization	Dallas County Hospital District	Total Ad valorem Rate
2007	$ 0.54480	$ 0.18440	$ 0.21390	$ 0.08100	$ 1.50264	$ 0.00503	$ 0.25400	$ 2.78074
2008	0.51960	0.22830	0.22810	0.08040	1.19964	0.00471	0.25400	2.51004
2009	0.52300	0.22490	0.22810	0.08940	1.18340	0.00493	0.25400	2.50280
2010	0.49180	0.25610	0.22810	0.09490	1.27134	0.00521	0.27400	2.61624
2011	0.53240	0.26460	0.24310	0.09923	1.23781	0.01000	0.27100	2.64814
2012	0.53790	0.25910	0.24310	0.09967	1.29035	0.01000	0.27100	2.70112
2013	0.54390	0.25310	0.24310	0.11938	1.29035	0.00994	0.27100	2.72083
2014	0.56010	0.23690	0.24310	0.12470	1.28209	0.01000	0.27600	2.72289
2015	0.56460	0.23240	0.24310	0.12478	1.28209	0.01000	0.28600	2.73297
2016	0.56460	0.23240	0.24310	0.12365	1.28209	0.01000	0.28600	2.73185

Source: Dallas Central Appraisal District

[1] The City's basic property tax rate may be increased only by a majority vote of the City Council up to the limit of the State law, after which the City's residents may petition for a vote. Rates for debt service are set based on each year's requirements.

Table 8

CITY OF DALLAS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years (Unaudited)
(in thousands)

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collection Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Current tax collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2007	2006	$ 555,098	$ 539,974	97.28%	$ 6,599	$ 546,573	98.46%
2008	2007	632,177	606,659	95.96%	6,445	613,104	96.98%
2009	2008	676,684	647,697	95.72%	4,413	652,110	96.37%
2010	2009	652,648	631,848	96.81%	5,590	637,438	97.67%
2011	2010	664,901	647,605	97.40%	6,562	654,167	98.39%
2012	2011	653,490	638,999	97.78%	5,561	644,560	98.63%
2013	2012	666,943	650,496	97.53%	4,572	655,068	98.22%
2014	2013	695,395	678,179	97.52%	4,258	682,437	98.14%
2015	2014	742,312	724,668	97.62%	4,468	729,136	98.23%
2016	2015	799,542	780,733	97.65%	4,431	785,164	98.20%

Source: Dallas County Tax Assessor/Collector

Table 9

CITY OF DALLAS, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago (Unaudited)
(in thousands)

		2016			2007		
Name of Taxpayer	**Nature of Property**	**Taxable Assessed Valuation**	**Rank**	**Percent of Total Taxable Assessed Valuation**	**Taxable Assessed Valuation**	**Rank**	**Percent of Total Taxable Assessed Valuation**
Oncor Electric/Texas Utilities	Electric Utility	$ 789,299	1	0.85%	-	-	-
Northpark Land Partners	Developer	643,717	2	0.69%	569,401	5	0.67%
AT&T Corporation	Telephone Utility	583,581	3	0.63%	1,049,366	1	1.24%
Crescent Real Estate	Real Estate/Developer	642,212	4	0.69%	576,908	4	0.68%
Southwest Airlines Company	Air Transportation	552,374	5	0.59%	560,593	6	0.66%
Texas Instruments	Electronic Manufacturing	548,171	6	0.59%	-	-	-
PC Village Apartments Dallas, LP	Developer	475,467	7	0.51%	255,151	10	0.30%
Walmart Stores, Incorporated	Retailer	402,250	8	0.43%	-	-	-
Galleria Mall Investors, LP	Developer	396,588	9	0.43%	431,782	7	0.51%
Post Properties, Incorporated	Real Estate/Developer	313,299	10	0.34%			
Raytheon/Texas Instruments	Electronic Manufacturing	-	-	-	878,794	2	1.04%
Texas Utilities	Electric Utility	-	-	-	747,855	3	0.88%
YPI Thanksgiving Tower/Central Expy Etal	Real Estate/Developer	-	-	-	370,561	8	0.44%
Teachers Insurance	Insurance	-	-	-	329,791	9	0.39%
		$ 5,346,957		5.75%	$ 5,770,202		6.81%

Source: Dallas County Tax Office

CITY OF DALLAS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Year Ended September 30, 2016 (Unaudited)
(in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct Debt:			
City of Dallas			
Debt repaid with property taxes			
General Obligation Bonds	$ 1,641,422		$ 1,641,422
Certificates of Obligation	18,011		18,011
Pension Obligation Bonds	380,840		380,840
Other Debt			
Capital Leases Payable	59,117		59,117
Commercial Paper	10,220		10,220
Long-term Notes Payable	42,893		42,893
Subtotal, direct debt	2,152,503	100.00 %	2,152,503
Overlapping Debt:			
Carrollton-Farmers Branch ISD	265,850	7.15 %	19,008
Cedar Hill Independent School District	116,208	1.03 %	1,197
Collin County	379,084	4.39 %	16,642
Collin County Community College District	31,600	4.39 %	1,387
Coppell Independent School District	212,351	1.08 %	2,293
Dallas County	80,009	50.13 %	40,108
Dallas County Community College District	321,510	50.13 %	161,173
Dallas County Hospital District	715,358	50.13 %	358,609
Dallas Independent School District	2,447,228	74.07 %	1,812,662
Denton County	619,619	1.67 %	10,348
Duncanville Independent School District	209,393	44.29 %	92,740
Garland Independent School District	493,460	2.41 %	11,892
Grand Prairie Independent School District	441,586	2.71 %	11,967
Highland Park Independent School District	83,942	9.10 %	7,639
Irving Independent School District	494,410	2.37 %	11,718
Lancaster Independent School District	143,105	1.97 %	2,819
Mesquite Independent School District	414,061	1.25 %	5,176
Plano Independent School District	852,635	11.22 %	95,666
Richardson Independent School District	391,681	57.78 %	226,313
Subtotal, overlapping debt	$ 8,713,090		$ 2,889,357
City Of Dallas (direct debt)	2,152,503	100.00 %	2,152,503
Total direct and overlapping debt	$ 10,865,593		$ 5,041,860
Ratio of Direct and Estimated Share of Overlapping Tax Debt to Taxable Assessed Valuation			5.03%
Per Capita Direct and Overlapping Tax Debt (not in thousands)			4,008

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. Debt outstanding data was obtained from each governmental unit.

CITY OF DALLAS, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years (Unaudited)

	Governmental								
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Equipment Acquisition Notes	Pension Obligation Bonds	TIF Bonds	Capital Leases Payable	Commercial Paper	Long-term Notes Payable	Revenue and Refunding Bonds
2006	$ 957,404	$ 52,313	$ 51,503	412,751	$ 11,319	$ 12,587	$ -	-	$ 1,960,874
2007	1,241,302	43,145	45,943	413,940	9,410	10,914	-	169	2,055,809
2008	1,447,695	80,590	58,180	413,618	7,451	10,732	-	11,609	2,107,537
2009	1,553,177	75,888	71,088	412,559	5,397	9,526	-	9,774	2,121,743
2010	1,564,938	58,915	45,802	412,018	-	7,072	-	7,833	2,234,823
2011	1,467,092	36,456	43,038	412,720	-	6,231	-	5,826	2,280,946
2012	1,343,278	50,031	22,385	410,168	-	6,526	25,000	4,702	2,368,889
2013	1,452,292	36,477	9,375	407,301	-	17,737	-	31,635	2,423,049
2014	1,318,947	26,457	4,685	404,248	-	26,991	26,475	32,402	2,316,892
2015	1,558,578	21,871	-	400,411	-	52,488	27,880	44,208	2,577,258
2016	1,641,422	18,011	-	261,102	-	59,117	10,220	42,893	2,701,953

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) These ratios are calculated using personal income and population data (See Table 15).

(2) See Table 5 for property value data.

Table 11

Business-Type									
General Obligation Bonds	Pension Obligation Bonds	Commercial Paper	Long-term Notes Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	Total Bonded Debt	Percentage of Estimated Actual Property Value (2)	Per Capita
$ -	$ 137,009	$ 160,538	$ -	$ 3,756,298	12.88%	$ 2,981	$ 1,610,980	2.27%	1,279
-	140,195	179,698	-	4,140,525	13.10%	3,235	1,884,525	2.48%	1,472
-	140,087	67,242	15,733	4,360,474	13.15%	3,409	2,140,170	2.53%	1,673
-	139,729	169,983	14,535	4,583,399	13.87%	3,509	2,252,441	2.49%	1,725
-	139,545	58,000	12,539	4,541,485	13.17%	3,451	2,221,218	2.55%	1,688
-	139,323	36,860	10,760	4,439,252	14.78%	3,699	2,098,629	2.52%	1,749
-	138,642	-	8,985	4,378,606	14.20%	3,628	1,964,504	2.40%	1,628
-	137,815	-	6,867	4,522,548	14.65%	3,670	2,043,260	2.44%	1,660
-	136,868	122,840	4,708	4,421,513	13.15%	3,663	1,891,205	2.17%	1,567
-	135,617	90,458	2,508	4,911,277	14.41%	3,948	2,116,477	2.27%	1,701
8,396	119,738	48,322	266	4,911,440	12.82%	3,904	2,048,669	2.04%	1,629

CITY OF DALLAS, TEXAS
LEGAL DEBT MARGIN
Last Ten Fiscal Years (Unaudited)
(in thousands)

	2006	2007	2008	2009	2010
Total Assessed Valuation	$70,843,802	$76,124,191	$84,526,934	$90,477,933	$87,264,095
Overall debt limitation - 10% of assessed valuation	7,084,380	7,612,419	8,452,693	9,047,793	8,726,410
Net Debt Subject to Limitation	1,486,233	1,728,963	1,905,673	2,006,271	1,938,126
Legal debt margin within 10% limitation (1)	$5,598,147	$5,883,456	$6,547,020	$7,041,522	$6,788,284
Legal Debt Margin as a Percentage of the Debt Limit	79.0%	77.3%	77.5%	77.8%	77.8%

Notes:

(1) Chapter XXI, Section 3 of the City of Dallas Charter states, "The maximum bonded indebtedness of the City outstanding at any one time, and payable from taxation, shall not exceed 10% of the total assessed valuation of property shown by the last assessment roll of the City."

Table 12

2011	2012	2013	2014	2015	2016
$83,425,479	$81,993,746	$83,681,722	$87,251,522	$93,138,211	$100,318,937
8,342,548	8,199,375	8,368,172	8,725,152	9,313,821	10,031,894
1,798,332	1,666,007	1,691,184	1,547,227	1,700,335	1,774,889
$6,544,216	$6,533,368	$6,676,988	$7,177,925	$7,613,486	$8,257,005
78.4%	79.7%	79.8%	82.3%	81.7%	82.3%

Table 13

CITY OF DALLAS, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE
DALLAS WATER UTILITIES
Last Ten Fiscal Years (Unaudited)
(in thousands)

Fiscal Year	Net Revenue Available for Debt Service: Gross Revenue	Expense [1]	Net Revenue	Debt Service Requirements [2]: Principal	Interest	Total	Revenue Bond Coverage [3]
2007	$ 427,887	$ 204,221	$ 223,666	$ 83,265	$76,550	$ 159,815	1.40
2008	462,424	206,213	256,211	91,215	77,606	168,821	1.52
2009	490,729	245,846	244,883	95,330	75,940	171,270	1.43
2010	478,512	240,117	238,395	96,115	73,987	170,102	1.40
2011	508,040	228,844	279,196	96,115	80,444	176,559	1.58
2012	535,289	235,821	299,468	96,115	77,250	173,365	1.73
2013	554,686	233,177	321,509	89,510	84,269	173,779	1.85
2014	569,822	246,141	323,681	94,545	84,134	178,679	1.81
2015	568,841	287,983	280,858	96,675	86,186	182,861	1.54
2016	619,890	306,085	313,805	100,980	79,705	180,685	1.74

Notes:

[1] Operating expenses do not include depreciation or any PILOT payments or similar payments that are not considered expenses of the operation and maintenance of the Water and Wastewater System.

Operating expenses includes payments for the Water Transmission Facilities Financing Agreement in, as explained in note 10.R. Per Texas Government Code, Section 1502.056(c), "a contract between a municipality and an issuer, as defined by Section 1201.002, under which the municipality obtains from the issuer part or all of the facilities or services of a utility system to that payments made by the municipality from the revenue of the utility system are an operating expense of the municipality's utility system."

[2] Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

[3] Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest.

Table 14

CITY OF DALLAS, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE
CONVENTION CENTER FUND
Last Ten Fiscal Years (Unaudited)
(in thousands)

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements [2]			Revenue Bond Coverage [3]
	Gross Revenue	Expenditures [1]	Net Revenue	Principal	Interest	Total	
2007	$ 89,327	$ 44,971	$ 44,356	$ 14,265	$ 20,096	$ 34,361	1.3
2008	87,068	40,212	46,856	15,820	18,543	34,363	1.4
2009	73,871	40,170	33,701	1,725	18,696	20,421	1.7
2010	73,783	38,196	35,587	1,730	17,791	19,521	1.8
2011	77,332	38,354	38,978	2,205	16,487	18,692	2.1
2012	75,947	44,975	30,972	2,775	16,421	19,196	1.6
2013	85,820	52,850	32,970	3,675	16,282	19,957	1.7
2014	90,356	54,606	35,750	4,640	16,098	20,738	1.7
2015	99,805	57,479	42,326	5,740	15,866	21,606	2.0
2016	110,653	70,164	40,489	6,945	15,579	22,524	1.8

[1] Convention Center Revenue bond covenants require only Convention Center expenses be considered when calculating bond coverage.

[2] Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

[3] Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest.

Table 15

CITY OF DALLAS, TEXAS
DEMOGRAPHIC STATISTICS AND ECONOMIC STATISTICS
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population [1]	Personal Income	Per Capita Personal Income	Median Household Income	Median Age	Assessed Valuation (in thousands)	Labor Force	Unemployment [2]	Unemployment Rate [2]
2007	1,280,500	$ 31,616,825,500 [3]	$ 24,691 [4]	$ 38,276 [3]	31.9 [3]	$ 76,124,191	612,088	28,768	4.7 %
2008	1,279,910	33,154,788,640 [3]	25,904 [4]	42,670 [3]	32.1 [3]	84,526,934	606,506	29,719	4.9 %
2009	1,306,350	33,048,042,300 [3]	25,298 [4]	40,473 [3]	32.0 [3]	90,477,933	592,403	43,838	7.4 %
2010	1,316,350 [5]	34,473,231,975 [3]	26,189 [4]	39,813 [3]	31.8 [3]	87,264,095	605,307	52,662	8.7 %
2011	1,200,530 [6]	30,042,062,720 [3]	25,024 [4]	42,911 [3]	31.6 [3]	83,425,479 [7]	607,860	52,884	8.7 %
2012	1,207,420	30,842,940,190 [3]	25,545 [4]	43,804 [3]	31.7 [3]	81,993,746 [7]	580,975	44,955	7.7 %
2013	1,232,243	30,868,803,800 [3]	25,051 [4]	41,318 [3]	32.0 [3]	83,681,722 [7]	591,278	39,966	6.8 %
2014	1,232,360	33,615,083,720 [3]	27,277 [4]	41,666 [3]	32.3 [3]	87,251,522 [7]	596,473	34,977	5.9 %
2015	1,244,270	34,081,929,000 [3]	27,391 [4]	43,103 [3]	32.1 [3]	93,138,211 [7]	642,785	26,917	4.2 %
2016	1,257,730	38,299,687,300	30,451 [4]	44,461 [3]	32.5 [3]	100,318,937 [7]	661,622	25,627	3.9 %

[1] North Central Texas Council of Governments estimate

[2] U.S. Bureau of Labor Statistics

[3] Personal Income, Median Household Income, and Median Age are averages of previous two years. Personal income is the aggregate income in the past 12 months. Census Bureau.

[4] Per Capita Personal Income is derived from Population and Personal Income values. Census Bureau.

[5] The 2010 North Central Texas Council of Governments estimate difference from the 2010 Census value.

[6] The 2011 North Central Texas Council of Governments estimate in based on 2010 Census and is NOT a continuation of previous 2001-2009 estimates. 2014 data obtained from United States Census Bureau.

[7] Consolidated Appraisal Value from Budget Office

All values by year are current estimates as published by the source at the date of publication. Updates to the values after publication date by their source are not reflected.

Table 16

CITY OF DALLAS, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago (Unaudited)

	2016			2007		
Name of Employers	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Wal-Mart Stores	25,534	1	3.01%	31,700	1	3.93%
American Airlines Group, Incorporated	25,000	2	2.94%	22,265	2	2.76%
Dallas Independent School District	20,000	3	2.35%	19,535	3	2.42%
Texas Health Resources	19,131	4	2.25%	13,582	7	1.68%
Baylor Scott & White Health	16,860	5	1.98%	15,065	5	1.87%
Bank of America	14,465	6	1.70%	-	-	-
Lockheed Martin Aeronautics Company	13,700	7	1.61%	15,085	4	1.87%
City of Dallas	13,000	8	1.53%	12,311	10	1.53%
Texas Instruments, Incorporated	13,000	9	1.53%	-	-	-
JPMorgan Chase Bank N.A.	12,600	10	1.48%	-	-	-
United States Postal Service	-	-	-	14,939	6	1.85%
AT&T Corporation	-	-	-	13,300	9	1.65%
Verizon Communications, Incorporated	-	-	-	13,500	8	1.67%
	173,290		20.40%	171,282		21.23%

Source: Dallas Business Journal Book of Lists 2016 (July 2015), 2006. Estimates for total employment based on 2014 Logitudinal Employer and Household Dynamics (U.S. Census)

* Include employees in all of DFW - payroll employment.

** AT&T Corporation, Fidelity, State Farm, and Frito Lay did not submit information. They are believed to be among the largest North Texas employers.

CITY OF DALLAS, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last ten fiscal years (Unaudited)

Function/Program	2007	2008	2009	2010
Public Safety				
Police Stations	7	8	8	8
Fire Stations	55	56	56	56
Public Works				
Streets - Paved (miles)	3,511	3,519	3,585	3,541
Lane miles	11,580	11,607	11,633	11,672
Traffic signals	1,296	1,298	1,315	1,329
Street Lights	85,693	86,500	86,902	86,514
Parks and Recreation				
Parks	374	376	376	368
Parks Acres	23,018	23,040	23,042	23,080
Miles of trails (jogging, hiking & biking)	90	99	99	107
Number of lakes	18	18	18	18
Swimming pools	27	22	22	22
Spraygrounds "Water-enhanced playground"	7	8	8	8
Athletic fields (soccer, football, baseball & rugby)	277	277	277	278
Tennis centers	5	5	5	5
Number of tennis courts	81	81	81	81
Neighborhood Tennis Courts	177	177	177	171
Multi-use courts	154	154	154	154
Golf courses (18 holes)	6	6	6	6
Recreation centers (community)	47	47	43	43
Water				
Water mains (miles)	4,840	4,862	4,980	5,024
Fire Hydrants	27,222	27,969	28,373	27,800
Wastewater				
Miles of sanitary sewers	4,831	4,831	4,267	4,293
Miles of storm sewers	1,755	1,744	1,749	1,768

Source: City capital asset records

TABLE 17

2011	2012	2013	2014	2015	2016
8	8	8	8	8	8
56	56	57	57	58	58
4,020	4,028	4,031	4,033	4,041	4,034
11,804	11,676	11,701	11,771	11,754	11,775
1,328	1,333	1,342	1,348	1,354	1,354
86,321	86,406	87,263	87,355	87,790	87,790
371	378	374	381	380	389
23,080	23,164	23,331	22,842	23,470	23,147
107	125	130	130	144	153
18	18	18	13	13	13
22	22	20	18	18	19
8	8	10	10	11	11
278	278	272	272	271	278
5	5	5	5	5	5
81	81	81	81	81	81
171	171	177	177	177	177
154	154	156	156	153	154
6	6	6	6	6	6
43	43	43	43	43	43
5,166	4,915	4,922	4,922	4,925	4,937
27,800	29,028	29,243	29,626	29,666	29,857
4,364	4,020	4,017	4,017	4,017	4,020
1,788	1,790	1,791	1,791	1,800	1,820

CITY OF DALLAS, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Unaudited)

Function/Program	2007	2008	2009	2010
Public Safety				
Police				
Calls for Service	872,162	728,404	690,768	596,742
Fire				
Calls for Service - Fire	116,813	120,203	117,721	115,462
Calls for Service - EMS	170,352	172,278	163,100	166,585
Recreation				
Number of Membership Scans	N/A	N/A	N/A	N/A
Building Permits				
Permits Issued	30,563	31,160	28,408	26,997
Estimated Value	$3,035,761,645	$2,895,410,156	$1,841,471,331	$1,843,819,294
Airport				
Airport Operations (Takeoffs and Landings)	242,914	231,656	176,977	168,373
Utilities (millions of gallons)				
Water Usage - Peak	575	670	626	638
Water Usage - Average	388	416	406	388

Source: Department annual records

Note:
N/A - Information not available

Table 18

2011	2012	2013	2014	2015	2016
632,365	589,865	591,997	590,443	599,319	628,871
145,298	59,784	46,127	42,346	41,049	43,228
173,666	172,032	193,820	195,802	189,894	202,212
N/A	N/A	348,830	545,998	564,684	632,246
34,786	43,064	38,478	36,044	37,951	41,480
$3,083,719,959	$2,310,325,994	$2,652,432,543	$3,305,921,947	$4,097,419,967	$4,636,962,395
178,054	177,067	178,232	176,889	209,121	223,997
683	649	583	535	619	592
428	395	391	369	374	369

CITY OF DALLAS, TEXAS
HEADCOUNT OF CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
City Manager's Office	49	45	39	45	30	20	14	15	14	12
City Attorney	156	170	156	120	116	122	144	144	149	153
City Auditor	36	36	36	31	28	20	19	22	22	22
City Controller's Office	N/A	N/A	N/A	42	42	44	42	42	42	41
City Secretary	24	21	20	16	14	14	15	14	15	17
Code Compliance	345	361	410	461	408	401	388	397	404	440
Communication & Information Services	160	186	196	197	164	168	173	170	163	170
Economic Development	47	50	47	41	40	40	41	41	39	36
Environment & Health Service	432	435	438	-	-	-	-	-	-	-
Environmental Quality	19	21	22	-	-	-	-	-	-	-
Equipment & Building Services	413	433	413	384	360	381	435	461	461	452
Financial Services	156	242	236	26	28	30	39	39	47	30
Human Resources	163	164	79	54	50	40	41	47	49	53
Housing	76	71	72	428	412	391	364	357	367	357
Cultural Affairs	98	98	65	46	47	56	64	61	64	63
Emergency Management	7	5	6	-	-	-	-	-	-	-
Municipal Court-Judiciary	51	43	31	40	37	32	34	33	32	29
Courts & Detention Services	185	182	175	170	155	161	151	145	152	158
Business Development & Procurement Service	48	46	47	42	40	39	39	41	41	40
Planning & Urban Design	-	-	-	-	-	-	-	-	23	28
Library	488	511	487	360	278	259	264	266	348	391
Management Services	-	-	-	145	137	164	160	164	160	181
Subtotal	2,953	3,120	2,975	2,648	2,386	2,382	2,427	2,459	2,592	2,673
Public Safety										
Police-Uniform	3,155	3,369	3,455	3,662	3,510	3,470	3,463	3,524	3,483	3,354
Police-Civilian	987	980	712	582	550	541	557	540	545	550
Fire-Uniform	1,648	1,693	1,768	1,776	1,738	1,874	1,870	1,867	1,901	1,878
Fire-Civilian	253	199	95	84	84	85	82	92	104	102
Subtotal	6,043	6,241	6,030	6,104	5,882	5,970	5,972	6,023	6,033	5,884
Development Services	279	294	292	198	197	224	237	264	269	280
Public Works										
Public Works & Transportation	428	469	448	305	272	140	143	144	138	137
Sanitation	493	517	503	456	451	458	460	472	488	483
Streets Services	583	522	514	371	400	496	485	491	510	508
Trinity Watershed Management	-	-	-	141	147	172	170	193	205	207
Subtotal	1,504	1,508	1,465	1,273	1,270	1,266	1,258	1,300	1,341	1,335
Parks and Recreation	1,477	1,319	955	634	594	581	598	614	661	729
Water Utilities	1,403	1,455	1,459	1,425	1,369	1,406	1,440	1,432	1,463	1,439
Convention & Events Services	109	110	102	101	83	80	71	74	80	98
Aviation	154	165	174	180	170	178	196	187	203	206
Other										
Mayor & Council	30	36	35	36	35	37	37	36	39	37
Employee Retirement	20	19	19	20	20	21	22	19	23	25
Civil Services	21	23	21	14	13	15	18	20	24	22
Risk Management	-	-	-	-	-	23	24	24	22	27
Police & Fire Pension	1	1	1	1	-	-	-	-	-	-
Subtotal	72	79	76	71	68	96	101	99	108	111
Total	13,994	14,291	13,528	12,634	12,019	12,183	12,300	12,452	12,750	12,755

Source: City Human Resources Records

"Dallas, the City that works:
diverse, vibrant, and progressive."

Publication 1617:57